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foreign trade

CANADA

NEW YORK BUYERS FOR EXPORT (page two)

Established in 1904

foreign trade

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cover This view of New York's skyscrapers was taken from the docks on the Jersey shore. Not only has New York become a centre of U.S. export and import trade, but also the headquarters for many organizations buying goods for shipment to third countries. The article on page two explains what our New York office is doing to help Canadians who want to participate in this unusual and lucrative business.

—Photo by Port of New York Authority.

CANADA

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New York Buyers for Export

—a new directory

Three years ago, *Foreign Trade* drew attention to the possibilities of selling to third countries through buying organizations in New York, and offered readers a directory of these. This directory has now been revised.

H. E. LEMIEUX, *Consul and Trade Commissioner, New York.*

NEW YORK CITY has become the headquarters for a large number of firms and individuals who act as buyers for foreign governments, and for large organizations, principals and individuals located in third countries. Their main function is to purchase products of all kinds to the best possible advantage.

Some are purchasing agents, divisions or branches for foreign governments, railroads, shipping lines, mines, oilfields, sugar mills or other industrial groups located overseas. Others buy for large foreign department stores. Numerically, the largest group consists of export merchants, export commission houses and combination export managers. Many Canadian firms have been able to supplement their overseas trade by selling to those New York buyers without prejudice to their current sales in specific markets. (Existing sales arrangements in some countries may have to be taken into account.)

Three years ago, the Commercial Division of the Canadian Consulate General in New York prepared a directory of these *New York Buyers for Export*. Copies of this directory were offered to Canadian exporters and to organizations promoting our overseas trade, following the publication in *Foreign Trade* of a series of articles on this method of selling. This directory has now been revised and copies can be obtained from the Trade Publicity Branch, Department of Trade and Commerce.

Before taking a look at the revised directory, it might be useful to review the various types of buying for third countries carried on in New York and how Canadian exporters should approach those operating in this field.

1. Foreign Government Buyers

Some foreign governments maintain permanent purchasing missions, commissions or agents in New York. Their function is to procure goods and services in accordance with specifications laid down by the home government. Much of this business is done on calls for tender issued in New York, although final decisions and definite placing of orders or contracts are the responsibility of government authorities in the foreign country. Because of geographical proximity, the existence of these purchasing commissions in New York City provides exporters in many of the larger Canadian industrial centres with the convenience of a relatively easy and steady check on some of the available foreign government business.

In recent years, the trend has been towards a reduction in the number and scope of activity of foreign purchasing missions in New York City. In many cases, they have been integrated with their diplomatic missions in Washington. This is especially true of the procurement of military and so-called "security" goods. A complete list of foreign government purchasing missions is available from the U.S. Department of Commerce, Washington, D.C., at 10 cents per copy.

2. Industrial Groups

This group includes the largest buyers for export. It consists principally of the purchasing arms of the very large corporations that carry out operations on a worldwide scale—such as mining companies, oil refineries, sugar mills and other industrial groups. The nature and geographical distribution of their business operations make it necessary (because of exchange controls) or advisable (for other reasons) for many of these giant industries to have purchasing divisions, branches or subsidiaries in the United Kingdom, Europe, Japan and other countries. That is why a Canadian manufacturer bidding on the requirements of such New York buyers for export may find himself in competition with, say, German or British manufacturers. And because of the foreign exchange situation prevailing in the country of destination of the goods, the Canadian manufacturer may find that competition from his German or British counterpart is not restricted to price and quality but extends to terms of payment. The Canadian exporter should be fully aware of these conditions when he submits offers to New York buyers for export.

3. Department-Store Buyers

In most cases, big department stores in foreign countries buy their requirements in North America through the large number of "resident buyers" in New York. They are specialists *par excellence*. For example, they have on their staffs

buyers who purchase, say, ties or handkerchiefs exclusively. Some of these firms buy department-store goods for their customers across the United States and Canada. We are concerned here, however, only with resident buyers purchasing for overseas customers.

4. Export Merchants

Export merchants usually buy outright for their own account and assume credit risks when required. In many cases they maintain sales offices abroad and can offer excellent market coverage.

5. Export Commission Houses

The principal duty of a straight export commission house is to buy for the account of its clients overseas, on commission. There are a great many of these firms operating in New York City and several of them now buy for their own account and have really become manufacturers' agents.

6. Combination Export Mgrs.

These individuals perform for manufacturing firms the same function as an export manager. They usually work on behalf of several manufacturers of non-competitive but allied products and appoint agents on behalf of their principals. Most combination export managers operate on a retainer but some insist on a commission arrangement. In effect, combination export managers are export managers working independently but severally for exporting manufacturers.

The 1959 Directory

The 1959 edition of *New York Buyers for Export* is a revision of its 1956 predecessor. Individual letters with accompanying questionnaires were recently sent by the Canadian Consulate General to several hundreds of the larger and most favourably known New York firms. Those displaying little or no interest in Canadian sources of supply because of company policy or other reasons were omitted from the directory. The new directory contains the names of and information on New York buyers for export who, in general, have expressed interest in Canada as a potential source of supply. For the most part, replies were encouraging and in almost all cases were given directly by top executives. This directory is tailored to the needs of Canadian exporters. Although it probably will not meet the needs of all Canadian exporters, it provides enough information to awaken or heighten interest.

In addition to the name, address and telephone number of the firms, the names of executives to be contacted, banking references and Canadian affiliations if any, principal overseas markets and products purchased are listed in order of their importance, where possible. In each instance, commodities or services of prime interest to buyers are indicated. The majority of firms are willing to consider the purchase of products allied to those they usually handle and which they feel they can sell through their overseas connections. Sometimes the annual value of purchases is given as a guide to the approximate size and scope of the firm's operations, but figures are not a gauge of financial status. Credit information may be secured through usual Canadian banking channels, using the name of the New York firm's banking connections listed in the directory. Alternatively, credit reports can be requested from such well-known firms as Dun and Bradstreet. For ease of reference, the directory includes both an alphabetical and a commodity index.

For the additional guidance of the Canadian exporter and to help eliminate unnecessary preliminary correspondence, we obtained from most export firms included in the directory a statement on the extent of their interest in Canadian sources of supply, their preferred basis for quotations, their normal terms of payment, and other comments.

Once the exporter has made a selection of New York firms offering the most promising prospects for business, the best approach is to pay personal visits to them. New York has the advantage of being on Canada's doorstep. It takes only an hour or two to fly from Montreal or Toronto into New York City. The addresses and telephone numbers given should be used in arranging schedules of calls. Some Canadian businessmen come to New York and return home without meeting potential buyers, for lack of prior appointments. When a visit to New York is planned, appointments with New York firms should be made in advance. This can be done directly by the firm in Canada but the Commercial Division of the Canadian Consulate General will co-operate readily upon request. After contact is established, inquiries should be followed up as promptly and thoroughly as possible. Canadian exporters should bear in mind that most New York buyers for export consider that they are in a buyer's market.

The Reward

We know of many Canadian firms who received orders directly or indirectly through New York buyers for export. Many of these orders can and do develop into repeat business when buyers are fully satisfied with initial shipments. Canadian firms have obtained substantial orders for, among other things, fish products for Liberia, refrigerators for Panama, lumber for Venezuela, communications equipment for Guatemala, coal for Japan—to mention only a few.

Operations of New York buyers for export involve just about every overseas market. Our office does not have an estimate of the value of the business involved, but the few firms listed in the directory who were willing to divulge figures indicated that their business alone offers a market potential of well over $250 million a year. ●

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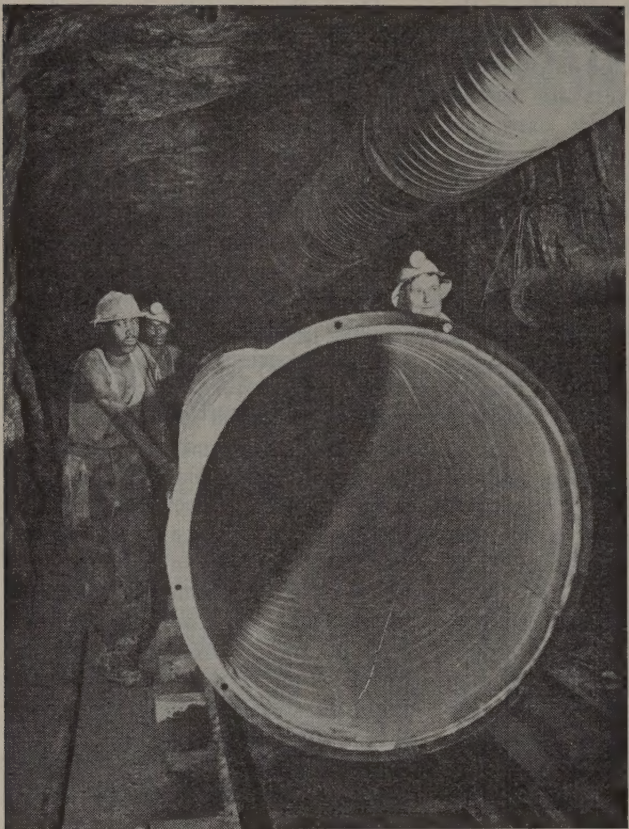

These ventilation pipes being installed in a Doornfontein gold mine represent one of the many types of equipment that the mines purchase regularly, frequently from foreign suppliers.

Thirty million dollars—that's the estimated amount the gold-mining industry pays each year to foreign producers of the goods and equipment the mines need. How can Canadians get a larger slice of this business?

Selling to South Africa's Gold Mines

IAN V. MACDONALD,
Assistant Trade Commissioner, Johannesburg.

SOUTH AFRICA'S spectacular gold-mining industry is not only one of the mainstays of the Union's economy but also offers worthwhile opportunities for foreign exporters able to supply competitively some of the many thousands of items it buys every year. The gold mines' total purchases of consumable stores and machinery are now running at an annual rate of almost $300 million, of which over 10 per cent is spent on foreign goods. Recent favourable news on the development of the new mines in the Orange Free State suggests that the value of purchases—already doubled in the last ten years—will continue to rise.

The variety of articles bought by the gold mines is so great that a comprehensive listing is not feasible. However, the accompanying table gives a picture of some of the more important types of imports, together with the value of local purchases of similar South African commodities, for purposes of comparison.

On the other hand, the products which South African firms are able to supply most competitively are: cement; sodium cyanide, sulphuric and nitric acid; clothing, footwear, etc.; coal; explosives, fuse, igniter cord; foodstuffs; drill steel and contract drilling; rails; rock drills and spares; local timber.

Electric power is the largest single item that the gold-mining industry buys; the annual bill for electricity exceeds £11 million.

Who Are Principal Buyers?

In some cases, purchases by the gold-mining groups are co-ordinated through the Transvaal and Orange Free State Chamber of Mines—resin compounds for uranium extraction, cyanide, ammonia hoses and nitric acid hoses (together with bulk commodities purchased locally) are examples—but most of the purchasing is done by the groups themselves on behalf of their various operating subsidiaries. The chart on page 5 shows a few of the more important gold-mining groups, with the name of the chief buyer for each. (The names of their larger mining subsidiaries, if required, are available from the Editor, *Foreign Trade*.) It should be noted that many of the South African mining groups also have substantial holdings in other products, in addition to gold. These ventures embrace copper, coal, manganese, chrome, platinum, timber, real estate, diamonds, asbestos, and a wide range of manufacturing enterprises.

ANNUAL IMPORTS BY GOLD MINES
(based on 1957)

Name of Product	Total Value	Import Value
	(in thousands of dollars)	
Laboratory goods	571	175
Belting, etc.	1,411	246
Flocculating agents	2,108	292
Resin compounds for water treatment	822	764
Other chemicals	2,899	773
Electric locomotives and spares	866	453
Non-electric locomotives and spares	2,696	1,649
Electric motors and spares	2,757	972
Switchgear and spares	2,785	882
Transformers and spares	784	164
Winders and spares	5,195	3,260
Hospital supplies	1,160	521
Bearings	753	685
Compressors and spares	857	601
Cranes, etc.	423	240
Fans	904	246
Instruments	773	447
Pumps	5,714	1,048
Filters	1,676	120
Reduction plants	1,575	341
Scrapers, winches, loaders, etc., and spares	2,976	830
Vehicles and aircraft spares	805	475
Ventilation and air-conditioning plants	795	644
Non-ferrous metals	2,408	158
Lubricating oils and greases	2,957	2,383
Packings and jointings	721	235
Stationery and printing	1,114	183
Valves	1,816	515
Timber, sleepers	917	445
Timber, squared	3,413	2,484
of which douglas fir	1,469	1,469
Tools	2,282	871

Method of Purchase

Most of the run-of-the-mill buying by individual groups is done through the Commercial Exchange in Johannesburg, where informal tenders are posted daily and are checked frequently by merchants selling local mining materials. Usually these tenders require early delivery from stock although some mining groups request quotations on an entire year's requirements on the assumption that the larger volume will induce keener quotations. One internationally known mining group orders very large quantities of consumable stores direct from overseas in order to obtain the best possible prices. However, most buyers avoid this practice because they want to keep inventories as low as possible and to prevent stocks from becoming obsolescent. Where large regular deliveries are required, quarterly inquiries are posted for a week at a time on the Commercial Exchange and the successful tenderer delivers the products direct to the mines as required.

Buyers classify their purchases into four distinct categories:

- *Machinery, plant and spares,* such as locomotives, engines, pumps, etc., are almost always purchased by tender under competitive conditions although preference of the mechanical engineering division of the mine may be decisive. In many cases, spares must be purchased from the supplier of the original equipment —with the important exceptions of bearings and castings.

- *Consumable stores*—This is a wide category embracing the products bought through the Commercial Exchange and announced on the foyer boards of the mining houses. It includes assay laboratory equipment, (which is chiefly imported and supplied out of stock locally by merchants), spring washers, window glass, carbon tetrachloride, hydrochloric acid, methylated spirit, clothing, manganese dioxide, rubber boots, cotton waste, etc., together with fluorspar products included in the two following categories.

- *Proprietary Lines*—These are not purchased by tender because there is usually only one branded, patented or exclusive product available, with no close substitutes. Even then there may be competition if the product is stocked by more than one representative.

- *Items price-controlled by suppliers*—These include bolts and nuts, coco-matting, hardboard, manila rope, electric lamps, pipe fittings and gasoline. In such cases the mining groups deal with a "panel" of distributors who adhere to a published price list. Purchase under these conditions is not generally approved by buyers on principle and it can be assumed that import offers will receive favourable consideration, especially where stocks are already held in South Africa and reflect fair competition, not temporary dumping.

Buyers enter into long-term contracts for some consumables. Contract periods range from one year for

BUYERS FOR SOUTH AFRICAN GOLD MINING COMPANIES

Company	Buyer
The Anglo American Corp. of S.A. Ltd., Box 888, Johannesburg	G. A. Hyatt
Anglo-French Exploration Co. Ltd., Box 4677 Johannesburg	D. A. van der Walt
Anglo-Transvaal Consolidated Investment Co. Ltd., Box 7069, Johannesburg	E. L. Coxon
De Beers Consolidated Mines Ltd., Box 6161, Kimberley	J. Birkett
General Mining and Finance Corp. Ltd., Box 1118, Johannesburg	C. T. Grosch
Johannesburg Consolidated Investment Co. Ltd., Box 590, Johannesburg	J. S. H. Maxwell
New Consolidated Gold Fields, Box 4065, Johannesburg	L. R. Richter
New Union Goldfields Ltd., Box 8653, Johannesburg	R. S. Hill
Rand Mines Ltd., Box 1594, Johannesburg	C. V. Peacocke
Union Corp. Ltd., Box 1055, Johannesburg	F. V. Smith

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foodstuffs to ten years for explosives and include castings, coal, nails, timber, gases, zinc dust, etc.

Imports vs. Local Production

Except for coal, electricity, explosives and cement—which would not in any case be imported—the majority of the mines' requirements are purchased in open competition. There is no discrimination against imports for mining purposes either by the groups themselves nor by the government import-control authorities. However, price, quality, delivery, range, etc., being equal, the orders are usually placed with local producers. The South African tariff does not as a rule tend to divert orders from import sources. In fact, the mining industry as a whole scrutinizes tariff applications closely and lodges objections if it foresees injurious effects. Almost invariably, these objections are sustained. Similarly South Africa's quantitative import restrictions for the most part do not affect purchases by the gold-mining companies which, of course, contribute substantially to the Union's export earnings.

The fact that the mining industry may now be buying its entire requirements of a particular product locally does not preclude sales by Canadian exporters. For example, a short time ago rubber conveyor belting was purchased almost exclusively from local sources but it is now being imported in quantity from the United Kingdom on open quote. It is not unknown for overseas suppliers to offer better delivery terms and also lower prices than South African suppliers. Furthermore, the required type and quality may simply not be available locally; for instance, Douglas fir and hemlock timber, much of which is imported from Canada. Similarly, pitch pine is imported because of its resistance to water, which makes it more suitable for shaft work than the local product. Where imports are based on superior quality, it is important that customers be advised clearly on grading standards in order to avoid disadvantageous comparisons by potential domestic competitors.

The Sales Approach

In most cases, little purpose is served by correspondence with buyers for the above mining groups unless a follow-up is made by a local agent or distributor for the Canadian lines. Perhaps the first step in approaching this important market is to appoint a representative in South Africa (preferably in Johannesburg) with experience in this field. A representative may act solely on commission or may be in a position to stock his principal's goods. Maintaining supplies in South Africa will improve the Canadian firm's competitive position because it can then give the mining companies much faster delivery—an important factor in meeting the terms of smaller quantity, short-term tenders which the mining companies issue regularly. In certain cases, servicing of the equipment sold is an important factor and (assuming that this is not undertaken by the mines themselves) a representative with suitable facilities must be selected. There are a number of prominent engineering firms in the Johannesburg area well acquainted with mining conditions and equipped to handle any servicing problems that may arise.

Frequently buyers for the mining companies require samples for testing purposes. It should be emphasized that buyers usually look for some inducement in the form of price, quality and/or design in order to switch from a traditional and satisfactory source of supply. No doubt Canadian companies already selling to the Canadian mining industry will have found special demands for their products. These might well be duplicated in South Africa, because mining methods in the Union conform to modern standards, especially in shaft-sinking for which the industry has a worldwide reputation.

Secondary industry serving the mines in South Africa has grown in proportion to the industry itself and is composed to a large extent of subsidiaries of overseas firms. Canadian manufacturers who find that they are unable to compete from Canadian sources may wish to consider the possibility of manufacture in South Africa, either directly or under licence, as an alternative means of entering this lucrative market.

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Argentina, Australia, Austria, Belgian Congo, Belgium, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, East Africa, Egypt, El Salvador, Finland, France, West Germany, Ghana, Greece, Guatemala, Haiti, Indonesia, Israel, Italy, Japan, Mauritius, Mexico, Netherlands, Netherlands Antilles, New Zealand, Nicaragua, Norway, Panama, Peru, Portugal, Spain, Surinam, Sweden, Switzerland, United States, and Venezuela. The United Kingdom certificate of origin requirements and other conditions under which Imperial Preference is granted are covered by Notice No. 27 A issued by the United Kingdom Commissioner of Customs and Excise.

Other pamphlets issued by the Branch include "Requirements for Shipping Documents in Europe and Latin America" and "Import Control Regulations and Tariff Treatment of Canadian Goods", both brief summaries in tabular form, and an outline of "Tariff Preferences for Canadian Goods Abroad." For copies of any of these pamphlets, readers should write directly to the Branch. Data on other countries will be compiled from time to time and they will be added to the list.

Current problems sometimes lead businessmen to forget the long-term promise of this great South American nation. The author puts these problems in perspective to help those trading with this area.

The Brazilian Market

V. L. CHAPIN,
Commercial Counsellor, Rio de Janeiro.

BRAZIL is the world's fifth largest country; its land surface of 3,289,440 square miles covers half the continent of South America. North to south it measures 2,327 miles and east to west 2,321 miles. The Atlantic coastline measures 4,579 miles and the land perimeter is extensive enough to provide a common frontier between Brazil and every other country on the South American continent, with the exception of Chile and Ecuador. It has 70 million people, or half the total population of the continent; the common language is Portuguese.

Federal Capital Takes Shape

Formerly a colony of Portugal and later an empire in its own right, Brazil was declared a republic in 1889. Since that date it has had four constitutions. The latest, (1946), similar in many respects to that of the United States, makes special provision for the transfer of the capital from the coastal city of Rio de Janeiro to the interior. The main purpose of the transfer is to extend the economic frontier—at present limited for the most part to the coastal region—deep into the interior. Brasilia, a site in the interior state of Goias, has been selected for the new capital and Congress has legislated that the transfer shall take place in April 1961. Less than four years ago the city of Brasilia, now in an advanced state of construction, was nothing more than an uninhabited plateau. Its completion on schedule will prove a remarkable feat of both planning and engineering and will mark the opening of a new era of Brazilian economic development.

Economic Problems Continue

The spirit and pace of the Brasilia venture symbolize the general Brazilian desire to build as soon as possible a great industrial nation. Paradoxically, however, it is from the implementation of this that most of Brazil's present-day problems arise. The country has made substantial economic gains during the past four years. In some instances, these have lived up to the Presidential slogan of "50 years' progress in five years". But the price has been economic growing pains.

Financial resources available from exports and foreign investment—private, public and institutional—have proved insufficient to cover the foreign-exchange cost of the Brazilian development program, plus the cost of normal imports and service charges. Consequently, the country has suffered a series of exchange crises over the past two years. It has managed to overcome these with short-term aid from the International Monetary Fund and from various private and public financial institutions in the United States. In addition, the borrowing program has received support from special exchange measures enacted by the Government to reduce or redirect the flow of imports.

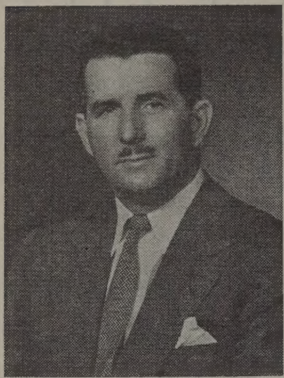
The dilemma of the Brazilian Government is thus whether to increase the foreign exchange resources with which to pay for imports—a large percentage of which are consumed in the industrialization program—or slow up the pace of progress somewhat. The desire of the Government is of course that industrialization continue unabated and it is now considering a number of ways to increase foreign exchange resources. Chief among these are efforts to step up exports of Brazilian commodities, to increase the inward flow of investment capital, and (where possible) to substitute locally produced goods for those now imported.

Exports Emphasized

Expansion of sales abroad is possible but difficult to achieve because of the somewhat inelastic demand for Brazil's main exports—tropical agricultural products such as coffee, cocoa, cotton, sisal, etc. However, to the extent that exports are less than maximum because of the functioning of Brazil's multiple exchange-rate system, steps were recently taken to bring about an improvement. New exchange regulations provide that exporters of certain products other than coffee or cocoa who formerly had to surrender their foreign exchange earnings to the Bank of Brazil at rates substantially below the free market rate may in future sell their exchange at much improved rates. This change in the regulations, which allows the exporter higher cruzeiro earnings for his exports, will, it is felt, inspire greater export effort and boost exchange earnings.

Investment Still Needed

The flow of private and public capital into Brazil over the past three years has been substantial but less than Brazilians consider desirable. Private capital for investment in various branches of heavy industry in



VINCENT L. CHAPIN, Commercial Counsellor in Rio de Janeiro, will begin a tour of business centres in Eastern Canada on June 16 in St. John's, Newfoundland. Details of the first part of his itinerary are given on page 24. Mr. Chapin served in Belgium and the Netherlands before going to Brazil in 1956.

Brazil has originated in the United States, Western Europe (particularly Germany), and Japan. Public capital has come mainly from the Export-Import Bank in the form of lines of credit to Brazil tied to the purchase of U.S. capital equipment and, to a lesser extent, from the World Bank. This institution recently granted Brazil a $73 million loan for hydro-electric development.

The Government is hopeful that the World Bank loan indicates the Bank's intention to participate more actively in the future in Brazil's economic development. It also hopes that there will be no abatement in the inflow of private investment capital and ways and means of creating a more favourable investment climate has become a major preoccupation. None the less, the inflow of private investment capital over the past few months has slackened off, mainly because of the caution engendered by inflationary conditions. Another cause is the opinion in certain investment circles that the time has come to slow down the pace of investment until the economy has digested that already made. Investors also feel concern that, given Brazil's present payments problems, the Government may not be able to sustain, at prices industry can afford to pay, imports of sufficient raw materials to feed industries already functioning.

All things considered, it seems fair to report that in the investment field there will be difficulties in the short-term future. It is likely, however, that these will be resolved in proportion as Brazil masters the problem of inflation. Accomplishment will depend on the success of the country's Financial Stabilization Plan inaugurated in 1958, shortly after the coming to office of Brazil's new Finance Minister, Dr. Lucas Lopes. This Plan calls for general belt-tightening at home to curb inflation and for a balance in international accounts by increased exports if possible but if not, by reduced imports and related measures. It is the opinion of the Finance Minister that faithful adherence to the Plan will bring financial stability by 1960.

Oil and wheat are two commodities that account for a major part of Brazil's total import bill: together they consume over 20 per cent of her annual exchange earnings. For these reasons, efforts are being made to expand domestic production. There are, however, substantial investment and political problems to be overcome before greater domestic output can be attained.

For wheat, the main problem is the remoteness of the producing areas from the major markets and the lack of storage and transportation facilities to provide for orderly marketing throughout the year. To solve this problem calls for investment, as does mechanizing the industry so that annual production can be increased from the present 900 thousand tons to nearer the 2.2 million that are consumed annually. Such investment is now taking place and production is steadily increasing; this could result in progressively decreasing needs for imports of wheat during the coming years.

Brazil's oil problem is even greater and more significant to its future well-being. At present the oil industry, both exploration and exploitation, is a government monopoly controlled by a federal institution known as Petrobras. Foreign participation in the industry is forbidden except for distribution at the wholesale and retail level under Petrobras supervision. Petrobras itself is generally regarded as a competent institution with a production record as good as can be expected, given its limited budget. The controversy over developing Brazil's oil resources is not, generally speaking, related to the competence of the government monopoly but rather to the advisability of adhering to its policy of excluding foreign participation.

For all other imports, the general policy of the Brazilian Government is the fostering of local production. The principal instruments for effecting this are the new tariff of 1957 and the multiple-rate system of foreign exchange. The new tariff—which is ad valorem rather than specific as formerly—provides for a series of high duties, some in excess of 100 per cent. The multiple-rate system of exchange is selective both as to country and commodity and favours imports from the bilateral account countries, such as Norway. In addition, the exchange regulations reinforce the restrictive nature of the tariff by classifying less essential imports in a "special" category for exchange purposes. The cost of exchange with which to make payment for goods so classified is considerably higher than that required to import goods in the general category. Goods in this category are more essential imports of various commodities—that is, those which are required but not produced at all in Brazil or not in sufficient quantity to supply demand.

Canada's Position in the Market

The value of Canadian exports to Brazil over the last three years has averaged about $20 million a year. Imports from Brazil over the same period have averaged

about $30 million. The functioning of Brazil's multiple exchange-rate system makes imports from the dollar area some 20 to 30 per cent more expensive than those originating in the so-called bilateral account countries. In addition, Canadian suppliers of capital equipment come up against the problem of credit terms offered by competitors. For example, the U.S. Government, through the Export-Import Bank, has granted lines of credit for the purchase of U.S. capital equipment. Terms include 16 years of financing, including an initial period of three years when no repayment is required. Notwithstanding this, Canadian exporters have, under certain circumstances, (see my report on Brazil in *Foreign Trade* of December 6, 1958) made substantial sales of capital equipment to Brazil. Repeat business of this kind will be less likely, however, because efforts are being made in Brazil to keep down credit purchases involving repayment over the next several years.

Bearing in mind the points made in preceding paragraphs, it would seem reasonable to conclude that Canadian exporters will do well to hold their position in the Brazilian market during the coming year. Such might well be the case, but there are certain encouraging signs as well. One is that Canadian exports are now on the same footing as regards exchange treatment as British and Western European products, as a result of the convertibility measures introduced by these countries. The other is that Brazil is a nation on the march and experience has shown that despite the difficulties, new Canadian products are constantly being added to the list of her imports. Tenacity in the expectation of improved conditions, rather than pessimism because of current problems, might well be the attitude of Canadian exporters interested in selling their products in this market.

Commodity Notes

Aluminum

VENEZUELA—The Kruger organization, of which Papeles Venezolanos is a part, is building an aluminum extrusion plant near Guacara. The plant will have an initial monthly production of 100 tons of shapes and tubing and is expected to be in operation within three months. The company also plans to build a sheet forming mill on the same site to make sheets of any width and length in corrugated "bull nose" or five-V design —Caracas.

Asphalt

TAIWAN—The Philippine Bureau of Public Works has bought 5,000 metric tons of asphalt from the government-owned Chinese Petroleum Corporation which operates Taiwan's only petroleum refinery. This marks the first shipment of Taiwan asphalt to the Philippines —Manila.

Automobiles

BRAZIL—Willys Motors Inc. and its subsidiary in Brazil, Willys-Overland do Brasil S.A., have announced that they have signed an agreement with the Régie Nationale des Usines Renault, France, for the production in Brazil of the *Dauphine*. It is expected that some cars will be placed on the market by the end of this year, and when full production is reached in the middle of 1960 the plant should turn out 50,000 a year, with 95 per cent Brazilian material—São Paulo.

Cellulose

CHILE—The new cellulose plant of the Compañia de Papeles y Cartones at Laja is expected to begin producing in September 1959. Its initial capacity will be 70,000 tons a year—Santiago.

Citronella

CEYLON—Because of low prices for citronella oil, the Government has decided to assist smallholders with 20 acres or less to interplant their lands with coconut. The following scheme has been approved:

(a) Payment of a rupee (Can.$0.20) per coconut seedling planted in the smallholding during the first year of the scheme. There will be approximately 75 seedlings per acre.

(b) Payment each year for the next seven years of -/50 cts. (Can.$0.10) per coconut plant that is maintained in good condition.

(c) Distribution, under the existing Coconut Fertilizer Subsidy Scheme, of two hundredweight of fertilizer per acre per year to smallholders who plant coconut on their citronella grass lands for a period of eight years, beginning from the year in which coconut seedlings are planted.

The scheme is to be administered by the Minister of Agriculture and Food as part of the Coconut Rehabilitation Scheme. Ceylon exports approximately Rs.4.5 million (Can.$900 thousand) worth of citronella oil a year. The principal buyers are the United Kingdom, India, France, West Germany, United States, Nigeria, Belgium, Italy, Australia and South Africa—Colombo.

Extrusion Machines

FRANCE—The Société Chevallier and the Etablissements Bret have signed a contract of more than fr.500 million with the Soviet Union for the manufacture and delivery of threefold extrusion assemblies. These machines are fully automatic and harness the multiple resources of mechanics, hydraulics, electronics and electromagnetism. The biggest one will be 350 feet long and weigh 220 tons. Powered by a 1,400 h.p. motor, it will be used for the wiredrawing of tubes 55 yards long and of an average diameter of 6.3 inches—Paris.

Fishing Tackle

SWEDEN—Victory Produkter AB in Malmö is exporting Swedish fishing tackle to the United States. The main export item is a special kind of reel which the Swedish factory cannot deliver enough of during the high season, in spite of the fact that most of its production of reels is now being sent to the U.S.—Stockholm.

Hardboard

AUSTRALIA—The Colonial Sugar Refining Company Ltd., plans to build a £2 million hardboard factory at Bacchus Marsh, Victoria. The plant, which will draw timber from the Wombat forest in the Daylesford, Trentham and Gisborne areas, is expected to go into operation early in 1961. Its initial capacity will be 55 million square feet of hardboard a year and provision will be made for expansion. The plant will be well situated to supply the big and expanding market in Victoria, South Australia, Tasmania and the Riverina—Melbourne.

Hydro-Electric Plant

NORWAY—A Norwegian association of civil engineering contractors, Norconstruction, has been awarded a kr.12 million contract by the Brazilian Government to build a hydro-electric plant on the river Jacui in the province of Rio Grande del Sud. Norconstruction has built several hydro-electric plants in Brazil in recent years. The work is scheduled to be completed in about 18 months and the firms will employ some 1,300 local workers supervised by Norwegian engineers—Oslo.

Leather

SWEDEN—The price of hides has risen rapidly since September 1958. Swedish hides have gone up by about 100 per cent and foreign hides by between 50-100 per cent. Prices of raw material for upper leather such as calf, etc., have risen by almost 200 per cent.

The Swedish shoe industry feels, however, that the price of shoes will not be raised much. The Swedish industry is highly rationalized, which should make it possible to level out the increased prices for hides. Moreover, Swedish tanneries' prices are still lower than those on the world market.

The reason for the price increase is the reduced slaughter of cattle in Argentina and North America. (Argentina is Sweden's main supplier.) In addition, the Soviet Union and the United States have placed large orders for Argentinian hides—Stockholm.

Motorcycles

FRANCE—Production of the French motorcycle industry in general and particularly that of mopeds reached record levels in 1958. The companies Motobecane and Solex are among the biggest manufacturers of these machines in the world. Motobecane stepped up production of mopeds, called *Mobylettes,* from 288,636 in 1957 to 333,079 in 1958, a considerable proportion of which is exported—Paris.

Nitrate

CHILE—A local press report states that nitrate production in Chile is expected to total some 1.3 million tons for the period July 1958 to June 1959. The average price is US$30 per ton c.i.f. United States and European countries—Santiago.

Oil

VENEZUELA—The voluntary controls over imports of petroleum into the United States that have been in force since July 1957 were made mandatory in March 1959. The two most important companies operating in Venezuela have announced reductions of between 5 and 15 cents U.S. per barrel on the price of crude—Caracas.

Paper

TAIWAN—Taiwan is selling paper to South East Asia. The Taiwan Supply Bureau recently announced that it had sold 100 long tons of simili (wood-free paper) to

Korea, 45 metric tons to Hong Kong and 10 metric tons to Vietnam. In addition, 20 long tons of kraft paper and 15 long tons of glossy paper were sold to Thailand—Manila.

Paper Machines

SWEDEN—The Swedish firm Karlstads Mekaniska Verkstad has received Russian orders totalling kr.30 million for three paper machines to be delivered during 1960 and 1961. This order is within the framework of the present Swedish-Russian trade agreement. Two of the machines are for liner board and the third for sack paper; total capacity is approximately 150 thousand tons—Stockholm.

Pharmaceuticals

ARGENTINA—The branch factory of a U.S. pharmaceutical firm proposes to extend its plant, spending initially $1 million, and ultimately a total of $5 million. Currently the firm makes chiefly steroids, including cortisone, hydrocortisone and prednisolone of hexametasone. It will soon add another steroid called decadron and a diuretic called diclotride—Buenos Aires.

BURMA—In January 1959, the Burmese Government set up a pharmaceutical importing agency, which will be the sole agent for the Government of the Union of Burma for importing medicines, drugs and allied commodities. The new firm is called The Rangoon Drug House Limited, 392-396 Merchant Street, Rangoon. Importers of pharmaceuticals are now required to register with the Rangoon Drug House and to order all of their requirements through it—Singapore.

Pipeline

FRANCE—The 412-mile, large-diameter pipeline between the Hassi-Messaoud oilfield and the port of Bougie on the Algerian coast is being laid at the rate of 1.25 to 1.8 miles a day. It will be put into use at the beginning of 1960 with a flow of four million tons of oil a year, which will be increased to ten million tons in 1963 and later to 14 million. Two of the four pumping stations are under construction, as well as several reservoirs, an electricity powerline, housing, and new port installations at Bougie—Paris.

Pulp

SWEDEN—Stora Kopparbergs Bergslags AB at Skutskär is planning further increases in pulp production. By 1965, output should total 220 thousand tons of pulp a year compared with about 100 thousand at present. Extensions to plant and equipment from 1959-64 will cost about kr.84 million.

Production of bleached sulphate pulp will be increased from 70,000 to 80,000 tons, and bleached sulphite pulp from 42,000 to 75,000 tons. In addition, the company will begin turning out birch sulphate pulp (65,000 tons a year).

The sulphite mill will be ready by 1962, the sulphate bleaching plant by 1961 and the birch sulphate mill by 1964—Stockholm.

Railway Cars and Truck Parts

BRAZIL—A new factory to make railway cars and truck parts, the Fabrica Nacional de Vagões, was opened recently at Cruzeiro in the state of São Paulo. It was designed to produce 700 thousand truck wheels and 100 thousand chassis every year for the Brazilian motor vehicle industry. The resulting saving in foreign exchange is estimated at US$18 million—São Paulo.

Steel

AUSTRALIA—In a recent review of the steel industry released by the Department of Trade, Australia is listed as the sixteenth largest steel-producing country in the world, and, on a per capita basis, the sixth largest consumer. The iron and steel industry employs more than 35,000 persons, and more than 40 per cent of all people employed in manufacturing are now working in the engineering and metal trades using iron and steel. Rated capacity for production of ingot steel has grown to over 2,870,000 tons (1.77 million tons at Port Kembla, 1.1 million tons at Newcastle) and, in addition, the industry produces about 200 thousand tons of pig iron a year for spun pipe and foundry use. Demand is likely to call for a rise to four million tons of ingot-making capacity by 1962, so that despite a £100 million development program, the import bill for steel products may still be £20 million a year in the early 1960's. Australia has, however, become a net exporter of steel, and exports for 1957-58 reached a value of £23 million—Sydney.

Timber

NEW ZEALAND—The New Zealand timber export trade recovered in 1958 after a poor year in 1957. Total timber exports increased by 11 million board feet to 41 million.

Sales abroad of sawn radiata pine, which made up 83 per cent of all timber exports, increased by 7.8 million board feet to 34.1 million. Most of this went to Australia, with small quantities going to the Pacific Islands and the United Kingdom. Exports of box shooks to the Pacific Islands tripled last year to 4.2 million board feet, making the Islands the major export market for shooks. The other 2.1 million board feet for export consisted mainly of Douglas fir and larch; Australia was the principal buyer—Wellington.

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BELGIUM

Department Stores: a Growing Business

With steadily rising sales, faster rate of turnover, and expanded operations, Belgian department and variety stores offer opportunities for some Canadian lines, particularly housewares, if price competition from domestic and European suppliers can be met.

L. H. AUSMAN, *Commercial Counsellor, Brussels.*

RETAIL trade in Belgium has expanded more quickly in the postwar years than most other sectors of the economy. Rising personal incomes have played a major part in the almost uninterrupted climb in sales of all Belgian retail stores.

From 1949 to 1957, total retail sales in Belgium rose from $2,720 million to $3,740 million, or 36 per cent. However, over this same period the sales of department and variety stores increased much faster than retail trade generally: by 1957 these totalled $290 million, a jump of 70 per cent over 1949. Although department and variety stores in Belgium do not account for as large a proportion of total retail trade as they do in Canada, they have been increasing their share: in 1957 they made about 8 per cent of the total retail sales, compared with only 6 per cent in 1949. Extension of operations and the adoption of the latest sales-promotion techniques have helped in the steady increase in the rate of turnover.

This progress is reflected in the prices of department store shares on the stock market; they have gone up 47 per cent since 1953 in spite of a declining trend in the over-all market index.

How Sales Have Grown

Since 1953, department and variety store sales have risen by 29 per cent, compared with increases of 25.2 per cent in national income and 26.3 per cent in the average hourly wage.

This 29 per cent increase has been spread fairly evenly over the years since 1953, but has been more evident in some lines than in others. The following table gives a breakdown by commodity groups:

	Sales expansion 1953-1957 per cent	Proportion of total sales 1956-1957 per cent
Food	32	30.8
Clothing	26	31.6
Furniture	24	9.8
Household articles	39	14.4
Tobacco	40	5.2
Books and stationery	35	
Perfume and toilet articles	19	3.6
Toys, games, sports and travel requisites	29	4.6
TOTAL	29	100.0

The greatest percentage rise was in tobacco, but it should be noted that sales of tobacco, books and stationery combined represented only a little over 5 per cent of the total. Far more significant is the increase in sales of household articles of 14.4 per cent. This was accounted for largely by a sharp increase of 116 per cent in the electrical appliances group and here instalment buying no doubt was an important influence. Restaurants, with earnings up 40 per cent, accounted for the rise in food sales. (Food departments are quite substantial in the larger Belgian department stores, and they all have restaurants and snack bars.)

Sales of clothing and related goods have, in general, increased more than those of furniture, as the following table shows:

	per cent
CLOTHING	
Linen, underwear, shirts and headgear	43
Men's outerwear	32
Shoes and slippers	24
Miscellaneous finery	24
Yard goods	7
Haberdashery, ribbons, patterns	−3
FURNITURE	
Furniture items	31
Furnishing fabrics	18

Investment Up

Aggregate investments by the principal department stores over the past four years totalled more than $24 million, an increase of 37.8 per cent of gross fixed assets. According to balance sheets published between 1954 and 1958, the fixed assets of the larger stores are:

	Fixed Assets 1957 (million dollars)	Increase over 1953 (million dollars)	%
A l'Innovation	18.9	7.1	37.7
Au Bon Marché	17.3	3.0	17.8
Priba	12.7	3.6	28.1
Galeries Anspach	10.2	2.4	24.0
Grand Bazar de la Place St. Lambert, Liège	9.9	3.0	30.8
Grand Bazar d'Anvers	8.1	3.6	44.7
Sarma	5.6	0.4	6.9
Grands Magasins de la Bourse	3.5	−0.05	
Nopri	1.5	0.8	51.9

Two of the stores, Sarma and Au Bon Marché, invested just under a million dollars in stores in the Belgian Congo. Compared with 1953, the stores' gross profits have appreciated by 39 per cent. The highest annual increase was 1955, nearly 14 per cent. Net profits presented a similar pattern, rising by 52 per cent.

Opportunities for Canadian Products

No figures are available on the volume of Canadian merchandise sold by Belgian department stores. It is not, however, very large and it is doubtful whether any really substantial volume of sales can be made. Price is one of the reasons; others are consumer preference for well-established brands and the availability of a wide choice of domestic, European and American goods. According to one buyer, 40 per cent of Belgian department-store purchases are imported, but the stores tend to resist overseas goods because of the freight charges. As a comparison, he pointed out that in Germany, for example, only about 10 per cent of the merchandise sold in department stores is imported.

We Get Inquiries About . . .

Belgian department and variety stores have asked about these Canadian goods:

- *Cheese*
- *Toys, dolls and games*
- *Electrical equipment: household appliances, including refrigerators; lamps and lighting fixtures*
- *Housewares and miscellaneous: cooking utensils; woodenware, including clothes pegs and bowls; rubber gloves; plastic articles, including shower curtains, drapes, tablecloths, garment bags, suit covers, rainwear, inexpensive handbags, etc.*
- *Clothing and footwear: cotton dresses, sweaters, baby pants, slippers*
- *Garden furniture*
- *Tools*
- *Hunting knives*
- *School supplies; measuring instruments*

The names of firms interested in specific items may be obtained from the Commercial Counsellor, Canadian Embassy, Brussels, or Canadian suppliers may write direct to any of the firms listed in this report.

North American brands are frequently found in Belgian department and chain stores, especially in housewares but also, to some extent, in the food and toy departments. Some of these brands are, of course, manufactured in Belgium by subsidiary companies. However, domestic and European products dominate and it is primarily this competition that Canadian suppliers must face.

During the past twelve months this office has received a number of inquiries for Canadian products and these are listed in the box on the left. Most are housewares, partly because it is in this line that imports from North America are most competitive, and partly because they relate to a basic list which we supplied to the store buyers. We compiled this list after the Department of Trade and Commerce had made a preliminary survey of the type of goods currently selling in Canadian department and chain stores. The list therefore is not exhaustive, and Canadian manufacturers of other goods sold regularly in these outlets are invited to submit literature and prices (c.i.f. Antwerp or f.o.b. Montreal) to the stores shown below.

The principal stores in Belgium belong to one of the following two associations, which also include a number of smaller specialty shops, principally those dealing in clothing and textiles:

Association des Grandes Entreprises de Distribution (AGED)
Grands Magasins "A l'Innovation" S.A.,
111, rue Neuve, Brussels.
S.A. des Grands Magasins "Au Bon Marché",
123, rue Neuve, Brussels.
S.A. Belge des Magasins Prisunic, Uniprix & Priba,
30, rue du Damier, Brussels.
Galeries et Grand Bazar du Boulevard Anspach,
36, boulevard Anspach, Brussels.
Grand Bazar de la Place Saint-Lambert,
9/17, Place Saint-Lambert, Liège.
Grand Bazar d'Anvers,
2, rue aux Lits, Antwerp.

Union Professionnelle des Magasins à Rayons Multiples
Groothuis S.A.,
282-284, rue Saint-Denis, Forest/Brussels.
(buying organization for Nopri and Sarma)
Sarma S.A.,
13-15, rue Neuve, Brussels.
Grands Magasins de la Bourse,
65 boulevard Anspach, Brussels.

The latter group is closely associated for buying purposes and much of this buying is centralized with Messrs. Groothuis S.A. Offers made to them are usually referred to the buyers for the other stores in the group. Generally speaking, the stores in this group are what we would probably call variety stores in Canada.

We suggest that copies of letters addressed to any of these firms be sent to the Commercial Counsellor, Canadian Embassy, Brussels, for follow-up by our staff. ●

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This photograph illustrates graphically how agricultural land is split up among various owners, because of old inheritance laws and customs that have persisted for centuries.

West German Agriculture

Position and Problems

Partition brought home to West Germany the need to make agriculture more efficient and productive. Policies followed have brought impressive results —though some pressing problems remain.

W. J. O'CONNOR,
Assistant Commercial Secretary (Agriculture), Bonn.

THE story of West Germany's rapid industrial development in the last ten years is well known. Less well known but almost as remarkable is the recovery and progress made in agriculture.

Before the war, Germany's eastern agricultural provinces complemented the industrial west. These provinces contained better than half of Germany's agricultural area. In terms of productive capacity the proportion was considerably higher, because most of the large, efficient farms were in that area.

With well over half the agricultural productive capacity but less than 40 per cent of the population, the eastern provinces became an important source of food for the people living in what is now the Federal Republic of Germany. However, even before the partition this area had to import foodstuffs. At the height of National Socialism, a regime that strove energetically for self-sufficiency, Germany imported 15 per cent of the food needed for her 69 million people. Today, with only 21 million acres of arable land and another 14 million of pasture, West Germany produces 70 per cent of the food for a population that exceeds 53 million. This represents a 50 per cent increase in food production since 1948, or an estimated 25 to 30 per cent increase for this area over the 1935/38 level.

Assistance Given Agriculture

This increase has not come about by chance. Although agriculture usually accounts for less than 8 per cent of the national income and employs not more than 13 per cent of the working force, the Federal Government takes a great interest in it.

Since 1949, when the Federal Republic was founded, all agricultural policy has rested on the premise that government assistance towards greater productivity is necessary and unavoidable. The aim has been to give farmers of well-managed average holdings an income commensurate with that of persons engaged in non-agricultural work. Although the emphasis has changed somewhat, the general direction of government assistance has remained constant.

This assistance takes many forms, beginning with considerable tax concessions to farmers. In 1957/58 they paid DM0.688 billion in taxes, only 1.4 per cent of the total tax revenue. In 1951 they paid DM1.098 billion, 5.4 per cent of the total. It is estimated that in the agricultural year 1958/59 the tax exemptions will run to DM359 million.

Regular budget expenditures on agriculture total approximately DM1.3 billion a year. They are divided, roughly, like this:

Improvement of farm structure and living conditions	DM 390 million
Working capital and reduction of operating costs	" 400 million
Price subsidies and storage costs	" 430 million
Improvement of quality and production efficiency, sales promotion	" 20 million
Research and extension services	" 40 million
Emergency assistance to areas affected by frost, floods, etc.	" 10 million

This is all apart from the money spent on agriculture by the various Laender (provinces).

Protection from Foreign Competition

Less direct but effective are the benefits that West German farmers receive because their interests have a high degree of priority when the Federal Government enters into international economic or trade agreements.

At the end of 1958, Germany was maintaining quantitative restrictions on 18 per cent of her imports and 16 per cent of these were farm products. A full 11 per cent were products covered by the "Order in the Market" Laws. These fall into four classes: grains and feedingstuffs; sugar; milk, butter and other dairy products, and livestock and meat products. They come within the competence of a marketing board, the "Einfuhr- und Vorratsstelle", whose prime function is to stabilize prices. It endeavours to do this by stockpiling domestic production when necessary and by controlling imports. For grain and sugar, import quotas for the whole agricultural year are announced in advance, after considering international contractual obligations and estimated domestic production. The board has the power to subsidize imports if the domestic price is below the world price, and when the domestic support price is above the import (usually world) price, it charges the importer a levy equal to the difference, ensuring an undisturbed domestic price.

For many other non-liberalized products, no advance quota is set up and imports from some sources are only permitted if and when the Government judges that the supplies from domestic production and contractual imports are insufficient. In still other cases, importers can qualify for a small import quota by exhibiting the products of their foreign principals at a trade fair.

West Germany also has bilateral agreements with some of her traditional suppliers of such products as fresh fruit. These agreements permit imports as long as the German price remains above a certain level. This protects German producers from foreign competition in years when domestic production is abnormally high; apples in the 1958 crop year are an example.

In addition to quotas and quantitative restrictions, customs duties afford further protection.

On January 1, 1959, the West German Government liberalized imports of 64 additional items of foodstuffs but there was little change in the "marketing law" products. There is a tendency towards smaller quotas, the result of increased domestic production and greater pressure from countries concluding bilateral agreements with Germany. These agreements frequently provide for larger imports of German industrial goods in return for a bigger share of the German market for agricultural poducts.

Structural Problems

Measures of this type are a great help to German farmers, but generally speaking, they do not attack the fundamental problems. Perhaps the most basic and the most difficult is the extent to which farms are divided into scattered bits of land. The average farm holding totals only 17 acres but it consists typically of twenty or more unjoined plots. The fragmentation is particularly noticeable in the central and southern Laender, where the custom of dividing land among the children has persisted for centuries.

Innumerable problems result from this practice. Farmers lacking access roads to their properties must depend on the goodwill of their neighbours and adjust their farming operations accordingly. They must spend far too much time travelling between plots. And it is difficult to mechanize because many fields are too small for the efficient use of machinery.

The hold that custom has is also seen in the tendency for farmers to maintain homes in the same overcrowded villages that their forefathers settled in in the Middle Ages, when the village wall meant protection from foes. Most of the farm buildings in these villages have become quite inadequate.

Common Market Spurs Changes

As early as 1953 the Ministry of Agriculture began work on an extensive plan to improve the long-term productivity of German agriculture and increase its

international competitiveness. This was considered particularly important because of the competition from neighbouring countries, particularly France and Italy, when all trade barriers are removed under the terms of the proposed European Common Market. Although German productivity per acre compares favourably with French and Italian, the feeling was that the latter countries have greater unexploited production reserves and that these could be more easily tapped.

The fact that two-thirds of the Federal area is mountainous and none too fertile imposes definite limitations on land use and farm organization, but to this must be added structural disadvantages. It is estimated that 40 per cent of all West German agricultural land needs consolidation, plus other measures such as road construction, drainage, levelling, outsettlement from overcrowded villages and enlargement of small farms.

These improvements are seen in Bonn as necessary before Germany's 35 million acres of agricultural land can compete with the remaining 145 million acres in the Common Market area or, for that matter, with Canada's 175 million acres.

Measures for Long-Term Improvement

As a result of the study begun in 1953, the Federal Government passed a general agricultural law in 1955 which, in effect, provides an annual supplementary agricultural budget. In recent years, expenditures under this have totalled more than one-third of the assistance given to agriculture. The agrarian law requires that the Government each year submit to Parliament a report on the agricultural situation (Green Report); evaluate the state of the agricultural economy and compare its condition with that of the rest of the economy and, if the comparison is not favourable, indicate the measures to be taken in the coming fiscal year for improvements (Green Plan).

The 4th Green Report covering the agricultural year July 1957-June 1958 was submitted to Parliament in February 1959. It showed that the agricultural share of the national income was 7.9 per cent, up DM700 million from the previous year to DM13.5 billion. Production increased 5 per cent over the previous year and stood at 130 per cent of the three-year prewar average, covering 78 per cent of the domestic food demand (70 per cent if production from imported feedstuffs is excluded).

Further progress was reported in land consolidation, rural road construction, and related projects. It is estimated that the area involved was 540 thousand acres compared with 485 thousand in the previous year. From 1949-1958 the number of farms of less than 25 acres decreased by 191 thousand, a decline of some 12.3 per cent, and the number from 25 to 250 acres increased by 25,000, almost 7 per cent.

Bringing down the Green Plan for the coming fiscal year (April-March), Agricultural Minister Luebke pointed out that unfavourable structural conditions are still impeding progress and limiting production. Again this year, government aid to agriculture under the Green Plan will amount to DM1.34 billion, but direct subsidies and grants are to be reduced, making more funds (about DM573 million) available for permanent improvements in the agricultural structure and in working conditions. For a time, following the adoption of the Green Plan Program, more emphasis was put on immediate measures to improve the farmer's income. The pendulum has now swung in favour of the long-term measures.

Future Developments

In referring to future developments, the Minister of Agriculture stated that farmers would have to prepare themselves for lower feed grain prices and that it was doubtful whether the West German wheat price could be maintained. Here it is worth noting that the terms of the agreement recently signed covering grain imports from France (the chief objector to high German grain prices) provides for imports at the world price level in the first year with increases towards the German level in successive years.

There is some indication that agricultural producers are aware that they must adjust to the European Economic Community and that the higher the price level Germany tries to maintain, the quicker the other member countries will mobilize their production reserves.

Only a few years ago the main concern of the Ministers of Agriculture at the Paris Conference was to cover the demand for foodstuffs. Today European Ministers of Agriculture are, like their counterparts in North America, showing concern about future domestic surpluses of farm products. The effects of increased domestic food production in Germany are already being felt. In the calendar year 1958 food imports fell DM566 million (nearly 6 per cent) to DM9,408 million. Imports of bread grains dropped DM283 million, imports of vegetable oils and fats for human consumption declined DM97 million, and imports of butter and other animal food products declined DM128 million. Exports of foodstuffs, on the other hand, went up by DM53 million to DM882 million.

The EEC provides a framework for the establishment of internal minimum prices, long-term marketing agreements as between member states, a system of import controls, and state-trading arrangements. The European Commission is expected to present by the end of the year proposals for the gradual implementation of a common agricultural policy. Once agreed upon, these will affect the nature of production and future surplus problems and therefore the market prospects for third countries. ●

Australia Opens a Door to Better Trade

Australia's recent liberalization of dollar imports will mean more opportunities for Canadian suppliers, and its vast industrial potential ensures steady demand for Canadian raw materials, capital goods and components.

J. C. BRITTON, *Commercial Counsellor, Sydney.*

CANADIAN and Australian businessmen who hope for increased mutual trade should find themselves looking to the future with some confidence in the light of three important developments in the past four months. These were: the announcement by the Australian Minister for Trade that some 330 additional products have been made subject to global licensing (see *Foreign Trade,* April 25, page 30); the trade negotiations in Canberra between the Canadian and Australian Governments that ended on April 17, and the government-sponsored trade mission from Australia to Canada's West Coast in March.

Liberalization Affects Canada

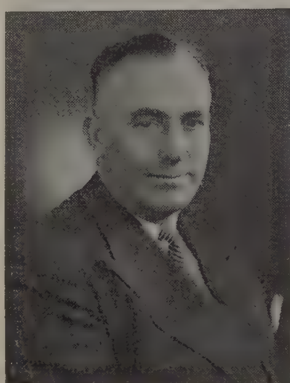
First, the import liberalizations. Effective on April 1, some 70 per cent of Australian imports are now licensed on a non-discriminatory basis. It has been estimated that this will boost Canadian exports to Australia by A£15* million in value in 1959. The Government has been moving steadily towards non-discrimination on imports over the past year and has indicated that it intends to proceed further as circumstances permit. The abolition of licensing discrimination means that Australian industry can buy its raw materials and equipment from the best supplier, regardless of currency. Canadian exporters are now in a position to compete in a fairly extensive range of commodities not previously licensed from dollar countries. A partial list appeared in the April 25 issue of *Foreign Trade,* but more detailed information may be obtained from the International Trade Relations Branch of the Department of Trade and Commerce.

It should be noted that liberalization covers mainly raw materials, replacement parts and components. Most consumer goods, and virtually all luxury goods from dollar sources, including Canada, are still rigidly licensed and are almost in the category of prohibited imports. The annual import ceiling of A£800 million is still in effect and the quotas on most goods on a global or other basis have not been increased.

The Canberra Conference

Highlighting the discussions between trade officials of the Canadian and Australian Governments in Canberra was the marked expansion of trade between Canada and Australia since the Trade Agreement of 1931. Australian exports to Canada have risen over the period from A£1 million to A£14 million, and Australian imports from Canada from A£1.4 million to A£23 million. The sessions covered all aspects of commercial and trading relations between the two countries and reports arising from them are now to be considered by the two Governments. Meanwhile, in a press release covering the meetings, it has been pointed out that there is no reason why the future should not see further significant increases in Canadian-Australian trade.

Australian exporters are giving more attention to Canada as a potentially expanding market for their



J. C. BRITTON, Commercial Counsellor in Sydney, Australia, since 1955, began a tour of business centres in Canada on May 28 in Vancouver (itinerary on page 24). In this article he describes current market conditions in Australia; during his tour he will discuss with businessmen how these conditions affect Canadian trade. Mr. Britton joined the Trade Commissioner Service in 1931 and served in Port-of-Spain, Johannesburg, Los Angeles, St. John's, and Tokyo, before going to Sydney. He will be posted to The Hague, Netherlands, as Commercial Counsellor in the autumn.

*All figures quoted in this article are in Australian pounds sterling.

primary products and for some manufactured ones from their growing secondary industries. The government-sponsored Australian Trade Mission that visited the West Coast in March was encouraged by the number of worthwhile inquiries for Australian products. Many of these are expected to result in definite orders.

Economic Picture Brightens

Australia's overseas trading position brightened considerably last year, despite the slow start, and export prospects have improved. For the first nine months of 1958-59 exports totalled £585.5 million and imports £601.4 million. This represents a decline in exports from £646.5 million in the same period of 1957-58, and a slight increase in imports from £595.4 million.

The sustained rise in wool prices during April altered the short-range economic outlook from one of cautious optimism to something approaching buoyancy. But base metals, usually a large dollar earner, are depressed because of the quota restrictions in the United States. Furthermore, Australia is having some difficulty selling wheat and flour in anticipation of an estimated 70 million-bushel surplus at the end of the present crop year.

However, there is solid, if not spectacular, progress in practically all sections of the economy and some of the more optimistic forecasters anticipate a fairly early return to the boom of two or three years ago. Canadian manufacturers continue to show confidence in Australia's outstanding long-range industrial potential by making royalty or licensing arrangements and establishing branch plants. Unemployment continues at a low level and currently only 1.7 per cent of the Australian work force of four million is registered with the Commonwealth Employment Service. The country's gold and currency balances held abroad totalled about £418 million at the end of April. This is regarded as highly satisfactory considering that Australian agriculture has weathered two quite poor seasons.

Overseas Investment Rises

Australia continues to attract increasing amounts of overseas capital, which is being invested in every phase of development—particularly manufacturing and allied industries. There has been a steep climb in this type of investment during the present fiscal year and for the first six months, it stood at a record £100 million. This places the annual rate at £200 million, compared with the previous yearly average of £120 million. The faith of overseas investors in the future of Australia is being matched by Australians themselves, who have over-subscribed the recent Commonwealth Government loan of £25 million.

The rate of immigration continues to be high, with total long-term arrivals for last year standing at 109,857—somewhat below the 130,795 in 1955, the peak year. A recent government survey showed that at present about 250 thousand people arrive in Australia each year and 150 thousand leave for overseas.

Canadian Opportunities Improve

Australia continues to offer an important and expanding market for these Canadian commodities: newsprint, lumber, special steels, office machinery, certain types of pulp, canned fish, sausage casings, synthetic resins, pharmaceutical raw materials, papermakers' felts, chemical raw materials, synthetic textiles and petrochemicals. There should also be worthwhile long-range prospects for other Canadian products such as sulphur, potash, vegetable seeds and oils, and plastic raw materials.

The Australian market is becoming more and more competitive because of increased industrial output and greater participation by most of the world's trading nations in the country's expanding economy. Australia as a market should continue to grow in importance, and though the opportunities for the sale of wholly manufactured items may diminish, the demand for raw materials, capital goods and components may be expected to rise steadily. ●

Part of Australia's huge wool clip being sorted and classified. A sustained rise in wool prices this spring has brought new optimism about export earnings for the coming months.

Uruguay's Problems Continue

Tight restrictions kept imports to a low of $139.5 million last year and figure may fall further this year, though wool clip has been selling well. Purchases from dollar countries still rigidly curtailed.

BLAIR BIRKETT,
Commercial Counsellor, Montevideo.

URUGUAY achieved last year a favourable trade balance of $4,145,000,* according to reports. The official figures for the year have not yet been published, but it has been stated that the Bank of the Republic bought export exchange in 1958 to the value of $143,556,000 and sold import exchange to the value of $139,511,000. But this balance was made possible only by restricting imports to a figure well below the $200 million a year which has been the average for the past ten years.

Imports Tightly Restricted

Import quotas opened during 1958 totalled $166 million; $150 million was for essential imports under the emergency system, $6 million for revalidated import permits, and $10 million to cover future shipments. For the first quarter of 1959 the Bank of the Republic has made $32 million available for imports. If this rate is maintained throughout the year, the total will be only $128 million. The Export and Import Control Board points out that to hold imports to this figure will entail restricting even absolutely essential imports still more at a time when stocks are nearly exhausted.

At the end of 1958, in response to the clamour from commercial houses starved for merchandise, a small import quota for second and third category goods was opened. The total value was set at $7 million, to be financed through the free exchange market. (No imports from Canada, the United States, and other hard-currency countries are permitted, however, unless these goods are not available from soft-currency countries with which Uruguay has bilateral agreements.)

In addition to this high rate of exchange, importers must pay a surcharge of pesos 2.50 per U.S. dollar for second category goods and pesos 3.00 for those in the third category. The price of the goods to the consumer therefore comes high.

The biggest single individual allotment ($2.3 million) was for motor cars; then came motor chassis, whisky, groceries, hardware, building materials, and small amounts for jewellery, toys, leather goods, etc., plus a $350 thousand quota for much needed drugs.

An encouraging aspect of the situation is that a large proportion of the new season's wool clip has been sold at reasonably satisfactory prices. Between October 1, 1958, and February 28, 1959, 99,167 bales were shipped, compared with 43,758 bales for the corresponding period of 1957-58. The principal purchasers were Russia 23,222 bales (7,975 bales in previous period), United States 16,724 (2,225), United Kingdom 11,750 (5,736), and the Netherlands 6,079 (6,991).

Trade Relations

During 1958 Uruguay concluded the following commercial treaties:

1. A Treaty of Commerce and Navigation and a payments agreement with Israel.

2. A payments agreement with Argentina and an additional protocol to the Argentine-Uruguayan Treaty of Friendship and Commerce of December 1956.

3. A Treaty of Commerce and Navigation and a payments agreement with Romania.

During the course of the year commercial missions or delegations from Romania, Yugoslavia, Japan and Sweden visited Uruguay.

Trade with United States

The United States import duty on wool tops from Uruguay, imposed in 1953 in retaliation against the preferential exchange rates granted to these exports in Uruguay, was rescinded towards the end of February, despite strong opposition from United States textile firms. A reduction of duty on certain meat products followed.

Under U.S. Public Law No. 480, Uruguay is now purchasing agricultural products to a total of $9.8 million from the United States surplus stock. The purchases comprise 8.75 million pounds of tobacco for $6.1 million and 20,000 bales of cotton for $3.5 million. These concessions have afforded Uruguay's strained economy some relief.

Trade with U.S.S.R. Growing

Trade between Uruguay and the Soviet Union increased steadily in volume during 1958. Russia bought 34,500 bales of wool to the value of nearly $20 million, or 4½ times as much as in 1957. In fact, the Soviet

*All values are in U.S. dollars unless otherwise indicated.

Union has become the leading buyer of Uruguayan wool. In addition to wool, the Soviet Union purchased 43,000 salted hides last year. Uruguay in turn increased the volume of its purchases from Russia; in particular, it acquired for the first time in many years large quantities of liquid fuels. It also bought from Iron Curtain countries good quantities of cotton, asbestos, aluminum ingot, cellulose, newsprint, caustic soda, pharmaceuticals, tools, etc. The share of Iron Curtain countries in Uruguay's foreign trade rose to over 15 per cent, compared with about 5 per cent in 1957.

Rumours are current that Uruguay will soon establish a single rate of exchange for both exports and imports, as Argentina did, in order to qualify for United States financial aid. The Government, however, has given no indication of a move in this direction, other than pre-election hints about revamping the whole system of exchange control. Meanwhile the system introduced in November 1957 has been carried over for another quarter—to June 30.

It seems to be expected that 1959 will prove to be a difficult year for trade and commerce in Uruguay. ●

Spain Replants Its Forests

Reforestation is progressing steadily, with government assistance and foreign loans, but local production falls far short of meeting rising demand.

M. T. STEWART, *Commercial Counsellor, Madrid.*

SPAIN is hard at work restoring great tracts of fine timber under an extensive forest conservation and rehabilitation scheme that is now about sixteen years old. This program has been ably administered by the Forest Service of the Ministry of Agriculture and much of the basic work, including soil conservation and range development, has already been accomplished. Conservation was discovered to be a matter of some urgency when the Government first gave some thought to it twenty years ago, because of the centuries of neglect and indiscriminate cutting that had depleted forest resources.

An official survey made in 1943 estimated the area covered by timber at 50 million acres. A reforestation program that was to affect 7.4 million acres was undertaken then and by the end of 1957, 2.7 million acres had been replanted. A large part of the forest area is held by municipalities in communal holdings; some 18.5 million acres passed into these holdings under the 1863 basic Forest Law. The municipalities have strong claims to the forest lands for pasture, crops, and fuel. These traditional public uses, plus the free-range doctrine for grazing animals, create difficulties in introducing improvements. The rehabilitation of private holdings, on the other hand, is easier and more effective.

The greatest advances in the reforestation program have been made since 1952. A law passed on April 7 of that year provided for state assistance to persons replanting both public and private land. The objective was to reforest half-a-million acres a year. Expenditure of public funds has been heavy and estimated in the neighbourhood of one billion pesetas up to the end of 1957. About 250 thousand men, representing 1.4 per cent of the national labour force, have been engaged in this work.

Funds provided (under long-term loans) for reforestation under the United States aid program have been substantial. In addition to money, the U.S. has also contributed technical assistance and ICA forestry officials have been on hand to supervise when necessary. Another important part of the program is the opportunity for Spanish forestry students to go to the United States for training in modern forestry methods. At present, 22 students, who are also employees of the Spanish Forest Service, are studying in the U.S.

The first U.S.-assisted project for reforestation and watershed control was started in July 1955 and provided for an expenditure of 100 million pesetas to plant 57,000 acres. The work, carried out in co-operation with national forestry officials, was completed in 1956.

A second project was wound up at the end of December 1957. It cost 200 million pesetas and reforested 128 thousand acres. A third project was recently approved, providing for an expenditure of 300 million pesetas to plant 173 thousand acres. It is anticipated that another one, costing 400 million pesetas, will be authorized for 1960.

How Much Is Produced?

Production of timber in Spain in 1957 totalled 4.5 million cubic metres, of which one-quarter came from privately owned forests in the wet northern zone. Production of wood for fuel totalled more than ten million cubic metres, over 75 per cent of which came from private holdings.

Important poplar and chestnut forests totalling 593 thousand acres are in private hands; one owner controls some 148 thousand acres. The cork-producing oak forests are almost entirely private, and only about 5 per cent of total production comes from public lands.

Imports Necessary

The cutting of timber and the utilization of forest products is increasing and the market demand for lumber, pitprops and railway ties is so great that, in spite of the active reforestation program, production cannot keep pace. The Spanish railways are receiving a U.S. Development Loan Fund grant of $14.9 million and $5.6 million of it will be used to import 1.25 million railway ties, preferably of oak. Timber purchases abroad in recent years have been kept to a minimum because of foreign exchange difficulties. In addition, per capita consumption in Spain is only one-half that of Britain and about one-third that of France.

Spain is an important exporter of cork (nearly 47,000 metric tons in 1957) and, if the funds derived from selling it (about $8 million a year) could be applied against imports of various types of timber and pulp for papermaking, this would ease the pressure on Spanish forests. However, this has not been done and the forests are being consumed faster than the rate of new growth.

Efforts are being made to increase forest resources as rapidly as possible by planting more quick-growing species. This accelerated program would involve an investment of an estimated 23 billion pesetas during the next 15 years—a substantial burden on the present generation, but one that could make the Spanish forest industry self-supporting for many generations to come. ●

Classifying and grading cork, an important forest product.

Canadian Apples in South Africa

CANADIAN apples found ready acceptance from South African consumers towards the end of last year. This marked their first appearance in South African shops since imports were prohibited by the introduction of controls in 1948. Last year's shipment totalled 1,600 bushels valued at $4,399.

Canadian apples were imported into the Union in the early thirties (1.9 million pounds in 1936) and sales increased every year until the war broke out in 1939. With the resumption of trade after the war, exports rose steadily from 997 thousand pounds in 1945 to two million pounds in 1948. At this point they ceased entirely until the shipment last autumn.

South Africa's apple production has increased over the past years and exports, which are under the control of the Deciduous Fruit Board, have also risen. Total production exceeds four million 40-pound cases a year; two million cases were sold abroad in 1958.

South African grown apples are available from March to May and cold storage ones have been sold right through to Christmas. However, by October the quality has begun to deteriorate and wastage is rapid and high. In addition, the deciduous fruit season does not begin until December. Therefore Canadian apples are a welcome fresh fruit from October to December. Sales of the Canadian fruit have not conflicted with South African, both because of the difference in seasons between the two countries and because of the reasonable amount of Canadian varieties marketed. This is officially recognized by the Government and Canadian apples are admitted free of import duty during the period from October 1 to December 31.

The market for Canadian apples in South Africa can be expanded each year provided sound marketing practices are followed, such as selling only to recognized wholesalers and retailers who are prepared to offer the fruit to consumers at reasonable prices. The volume of shipments should be increased gradually to avoid as much as possible any displacement of the South African product. In this way, the danger of official disapproval and subsequent prohibition of imports can be avoided.

If high quality is maintained and packing, handling and forwarding carefully looked after, there should be an assured and increasing market for enterprising exporters of Canadian apples to South Africa.

—M. R. M. DALE,
Trade Commissioner, Cape Town.

Venezuela

Selling Electrical Appliances

Canadians should find selling electrical goods in Venezuela a profitable business, first in economy lines, if they can compete in price, and second in new, higher-priced ones—if they wish to explore markets away from the big cities.

G. FONS,
Office of the Commercial Counsellor, Caracas.

CANADIAN exporters of electrical appliances will find oil-rich Venezuela a receptive market, though a competitive one. In the May 23 issue of *Foreign Trade* I outlined some of the reasons why sales prospects in general are good and why they should improve, with reference to specific appliances. Now, let us take a look at some of the techniques of selling these goods in Venezuela.

Sales Organizations

Foreign exporters of electrical appliances may organize their Venezuelan sales either by appointing a commission agent or distributor, or by selling directly to importers and department stores.

Commission agents, as experience has shown, do the best selling job in low-cost lines where wide coverage of the market is intended, or where they can make bulk sales without complicated servicing problems. Agents are necessary for doing business in the interior of the country, where retailers may prefer to import directly from abroad rather than pay the high mark-ups of Caracas distributors. We have found that the more aggressive dealers in the interior willingly ordered Canadian equipment that was outpriced and could not be sold in the more competitive Caracas market. These rural districts, though they are more receptive to new brands and less keen on low prices, present collection problems that can be resolved only through a reliable agent who looks after collections as well as sales promotion.

Distributors have played an important role in the successful introduction of well-known United States brands in Venezuela. However, when U.S. and European suppliers started to sell to practically everybody, local companies soon lost interest in this type of connection. At present it is not easy to find a reliable firm willing to commit itself to a minimum sales volume t obtain the exclusive distributorship of a brand. Smal operators on the one hand and department stores o the other contributed to this situation. The forme with smaller overhead, sold at lower prices (or eve at cost, in some of their tight financial moments); th latter, to attract buyers, offered goods at rock-botton prices in their far-reaching publicity campaigns. Bot practices adversely affected the distributor who wa committed to achieving minimum sales, spendin money on advertising, carrying a stock of spares, an servicing the goods, no matter from whom he bough them.

Importers are mainly authorized dealers of som well-known U.S. manufacturers but are at liberty t sell any brand as a sideline. They are, therefore, in terested in new economy items which they can sel at low prices to buyers who come into their store attracted by a name brand, and walk out thinking the have got a bargain by buying some unknown cheape product.

Department stores are newcomers to the Venezuela business community. Sears Roebuck was establishe here in the early fifties and only a few years ago tw other companies started operations: Vam C.A. an Corvet C.A.

Although Sears Roebuck is supplied by its powerfu purchasing organization in the United States an Europe, and thus less interested in offers of foreig (e.g., Canadian) equipment, the other two stores hav in the past shown favourable reaction to Canadian sale promotion. Their assets are large and they grant mor convenient credit terms than do many other dealers.

The Government as Buyer

The Venezuelan Government operates through system of autonomous institutes that act as buyers o commodities and installations for government enter prises, hotels, hospitals, etc. Although the Governmen has proclaimed an era of austerity, it plans to exten education and health facilities by building new centers This is most likely to lead to additional governmen purchases of appliances and installations in the nea future.

However it is likely that the bulk of governmen buying in the electrical field will be for large electri

and electronic projects, communications and power lines. Canadian technical advisers and manufacturers have a reasonable chance of obtaining a share of this business, though there will be problems of long-term financing.

Canadian Prospects Good

Canadian manufacturers have the advantage that their designs are similar to U.S. ones that are already predominant in Venezuela. If our share is not more substantial, there are several reasons:

1. Canadian equipment is often sturdier than that of competitors but it is mostly higher-priced.

2. Canadian products are not as widely advertised as those of U.S. competitors.

3. Canadian exporters hesitate to meet the long-term credits offered by other exporters.

This latter point is extremely important because the local importer must grant credits up to 180 days when selling to a local retailer, and up to 24 months when retailing to the customer. Ninety per cent of all retail sales in the medium and high-priced brackets are transacted on credit terms from 16 to 24 months, sometimes even without a down payment.

But Canadian appliances should do well in this market because of their reputation for sturdiness and reliability. The Venezuelan is generally not as interested in making home repairs as is the average householder in North America; he would rather spend his leisure time on other activities. In addition, the services of local technicians are expensive and not always reliable. As a result, importers are often willing to spend a little more, if it saves costly repairs and outlay for an expensive stock of spare parts. Free-of-charge servicing is granted by the larger local stores up to two years from purchase date.

Canadian suppliers will be interested to learn that Venezuela's first appliances factory was opened recently in Barquisimeto, state of Lara. The new company, to be called Eilara, will make electric and kerosene-operated refrigerators and stoves. Although the factory is said to be equipped to manufacture other appliances, it will begin with these two lines.

Competitors Set Strenuous Pace

With the gradual disappearance of the exclusive distributor from the electrical appliances field, the Venezuelan import market has become more receptive to new manufactures, though for some items, brand or quality considerations may still prevail. The Canadian exporter may stand a good chance if he is competitive in the economy lines that have the largest sales volume. High-cost items have to be heavily advertised or offer some feature that makes them superior to others. As a possible approach to introducing new lines, especially if they cannot compete in price in main centers like Caracas or Maracaibo, the Canadian manufacturer might consider selling to the interior, paying special attention to the credit problem and taking care to appoint a reliable agent.

Venezuela, one of the few hard-currency areas of South America, is a meeting ground for U.S. and European exporters who are aggressive sales promoters, and of Asian suppliers who often have the attraction of lower prices. If the Canadian manufacturer is to hold his own against this strong competition, he must be prepared to match it.

He should calculate his export prices in advance, not just giving domestic wholesale quotations, but preparing c.i.f. Venezuelan port price lists, preferably in U.S. dollars which have a steady exchange rate in relation to Venezuelan currency. He should also airmail his catalogues and samples, confirm orders he has received by airmail, and try to speed up deliveries. If he manages to do these things, he will have established the basis for successful business with Venezuela, and will probably find that his efforts to adapt his policies to the market's needs will be rewarded.

See also "Venezuela: Selling Electrical Appliances" in Foreign Trade, *May 23, 1959—Editor.*

Tours of Territory

N. L. CURRIE, Acting Commercial Secretary in Bogotá, Colombia, will visit Quito, Ecuador, during the second week of June.

R. M. DAWSON, Assistant Trade Commissioner in Guatemala City, Guatemala, will visit Nicaragua from July 13-18 and El Salvador from July 20-25.

L. D. R. DYKE, Assistant Commercial Secretary in Athens, Greece, will visit Israel from July 22-31.

R. D. SIRRS, Assistant Commercial Secretary in Caracas, Venezuela, will visit Maracaibo, Aruba, and Curacao towards the middle of June.

B. C. STEERS, Assistant Trade Commissioner in Singapore, will visit Kuala Lumpur from July 7-9, and Bangkok from July 19-August 1.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Currie at Bogotá, Mr. Dawson at Guatemala City, Mr. Dyke at Athens, Mr. Sirrs at Caracas, and Mr. Steers at Singapore.

Trade Commissioners on Tour

The following officers of the Trade Commissioner Service will shortly begin tours in Canada. Their itineraries are

S. V. ALLEN, Deputy Consul General (Commercial), in New York:

Ottawa—Aug. 3-7
Montreal—Aug. 10-14
Toronto—Aug. 17-22
Vancouver—Sept. 14-17

N. W. BOYD, formerly Assistant Commercial Secretary in Berne, Switzerland:

Winnipeg—June 29-July 11
Regina—July 13-14
Saskatoon—July 15
Calgary—July 18
Vancouver—July 23-August 7

When he completes his tour Mr. Boyd will be posted to Tokyo, Japan, as Assistant Commercial Secretary.

J. C. BRITTON, Commercial Counsellor in Sydney, Australia:

Saskatoon—June 8
Winnipeg—June 9-11
Toronto—June 13-20
Southern Ontario—June 22-26

When he completes his tour in the autumn, Mr. Britton will be posted to The Hague, Netherlands, as Commercial Counsellor.

V. L. CHAPIN, Commercial Counsellor in Rio de Janeiro, Brazil:

St. John's—June 16-17
Halifax—June 18-19
Ottawa—June 23-30
Toronto—July 2-9

P. T. EASTHAM, Assistant Commercial Secretary in Port-of-Spain, Trinidad:

Ottawa—June 17-27
Montreal—June 28-July 4
Quebec City—July 5-6
Fredericton—July 7
Saint John—July 8
Halifax—July 9-11
St. John's—July 12-14
Ottawa—July 15-18
Toronto—July 19-22

When he completes his tour Mr. Eastham will be posted to Rome as Assistant Commercial Secretary.

H. J. HORNE, Commercial Secretary in Karachi, Pakistan:

Vancouver—July 27-30
Winnipeg—Aug. 5

Mr. Horne is being transferred to Chicago as Consu and Trade Commissioner and is expected to arrive there early in August.

H. E. LEMIEUX, Consul and Trade Commissioner i New York:

Montreal—June 1-12

A. A. LOMAS, Assistant Commercial Secretary i Mexico City:

Ottawa—June 1-9
Toronto—June 10-19
Hamilton—June 22-23
St. Catherines, Merritton—June 24
Niagara, Welland—June 25
Brantford, Woodstock—June 26
Windsor—June 29-30
Galt, Preston—July 2
Guelph, Fergus—July 3

W. B. McCULLOUGH, Commercial Counsellor i Ciudad Trujillo, Dominican Republic:

Winnipeg—June 9
Vancouver—June 11-15
Victoria—June 17
Montreal—June 22-30
Maritimes—Aug. 24-Sept. 1

K. F. OSMOND, Commercial Secretary in Rome, Italy

Winnipeg—June 10-12
Toronto—June 15-20
Hamilton—June 22-23
St. Catharines—June 24
Windsor—June 26-29
Sarnia—June 30
London—July 2-3
Quebec—July 6
Saint John—July 8
Halifax—July 10
St. John's—July 20-21
Montreal—Oct. 1-16

W. G. PYBUS, Commercial Secretary in Tokyo, Japan

Edmonton—June 17
Calgary—June 25-26
Winnipeg—July 20-22

R. F. RENWICK, Consul and Trade Commissione in Chicago:

Toronto—July 6-10
Ottawa—July 13-17
Montreal—July 20-24

Mr. Renwick will be transferred to Port-of-Spain Trinidad, as Commercial Secretary late in August.

C. O. R. ROUSSEAU, Commercial Secretary in Beirut, Lebanon:

Ottawa—July 6-17	Hamilton—Sept. 15
Montreal—Aug. 31-Sept. 4	Winnipeg—Sept. 18-19
Toronto—Sept. 8-14	Vancouver—Sept. 21-23

R. CAMPBELL SMITH, Commercial Counsellor in Paris, France:

Ottawa—June 23-July 3	Winnipeg—July 27-28
Toronto—July 6-15	Vancouver—July 30-31, Sept. 16-18
Montreal—July 16-23	
Hamilton—July 24	

R. K. THOMSON, Commercial Secretary in Vienna, Austria:

Vancouver—June 22-30	Hamilton—July 16
Edmonton—June 30-July 1	Montreal—July 17-24
Winnipeg—July 2-3	Ottawa—July 27-Aug. 7
Toronto—July 7-15	

W. R. VAN, Commercial Secretary in Colombo, Ceylon:

Ottawa—June 8-19	Niagara Falls, Welland, St. Catharines—July 9-10
Toronto—June 22-July 3	Winnipeg—July 13-14
Hamilton—July 6	Vancouver—July 16-23
Fergus—July 7	
Brantford—July 8	

Businessmen who wish to see these officers should get in touch with the Board of Trade or Chamber of Commerce in the cities mentioned, with the following exceptions. In Toronto, Winnipeg and Edmonton, the Trade Commissioners make their headquarters at the offices of the Canadian Manufacturers Association; in Windsor, Ontario, at the offices of the Greater Windsor Industrial Commission; in St. John's, Ottawa and Vancouver, at the Department of Trade and Commerce; in Victoria, at the Department of Trade and Industry, and in Fredericton at the Department of Industry and Development.

Transportation Notes

Argentina

NEW SHIPYARD—Messrs. Astilleros Astarsa of Buenos Aires plans to build in Rosario a shipyard capable of producing ocean-going ships of up to 15,000 metric tons d.w. These would be used principally for carrying petroleum products and coal. When it is in full production, the yard will be able to turn out three ships of 10,000 to 15,000 tons d.w. every year. The first keel is to be laid during the second half of 1961—Buenos Aires.

Australia

BIG TANKERS ON ORDER—Seven huge oil tankers, four of them over 40,000 tons deadweight, will come on to the Australian run within the next two years. Two of them, each with a carrying capacity of 87,500 tons, have been chartered by the Vacuum Oil Co. Pty. Ltd. for supplying the new Adelaide refinery and Melbourne's Altona refinery. The supertankers, which will carry 23 million gallons of crude oil, will be 855 feet long and 122 feet wide.

Two other tankers, each with a carrying capacity of 46,500 tons, will come into service for the Vacuum Oil Co. later this year. They will carry crude from the Persian Gulf to Melbourne in 18 days.

A £3 million supertanker is being built for Ampol Petroleum Pty. Ltd. at Whyalla, South Australia. This 32,000-ton vessel will be the biggest one ever built in Australia. Another 24,700-ton tanker for Ampol was recently launched in Belgium for use on the run between Sumatra and the Kurnell refinery in New South Wales.

A £2 million, 27,500-ton d.w. tanker is also being built for H. C. Sleigh Pty. Ltd. and is expected to be in service by 1961. It will go on the Sumatra to Botany Bay service—Melbourne.

CANADA-AUSTRALIA AIR TALKS—Australian and Canadian aviation delegations, which met recently in Melbourne to review the 1946 air agreement between

the two countries, have decided that the agreement is no longer adequate to meet the needs of the jet era in world aviation. Because of the technical nature of the discussions, they were adjourned for the time being and will probably be continued later—perhaps in Canada—when it is hoped that a new bilateral air transport agreement will be concluded. In the meantime, weekly air services will continue between Canada and Australia—Sydney.

Brazil

SHIPPING FREIGHT RATES INCREASED—As from February 14, 1959, Brazil's ocean, coastal and river shipping freight rates were increased by 8.5 per cent. This increase was approved by the Merchant Marine Commission on the grounds that shipping companies have to readjust their rates to meet the increase in the prices of diesel and fuel oil. The higher prices resulted from the abolition of privileged exchange rates, which were approved by the National Petroleum Council on February 6—São Paulo.

Central America

SHIPPING SERVICE TO CANADA—A new direct shipping service between Eastern Canada and the eastern coast of Central America is to be established by the Flota Mercante Gran Centroamericana. Initial sailing from Montreal is scheduled for June 16. Regular calls will be made at Belize, Puerto Barrios, Matias De Galvez, and Puerto Cortes. Shipments to El Salvador will be accepted and routed through Puerto Barrios. Kerr Steamships Limited, Montreal, are the Canadian agents for the new shipping line.

Netherlands

JOINT AIRLINE COMPANY PLANNED—It was announced recently by the president of KLM that five European airlines are studying the possibility of establishing a "joint exploitation company", to be named Europair. The companies concerned are Sabena, Lufthansa, Air France, Alitalia and KLM. The president said that a joint company would have a stronger position in the world market than each of them operating separately. He did not think, however, that agreement would be reached before the summer of 1960—The Hague.

NEW TRANSHIPMENT SITE IN EUROPORT—A new transhipment site of the Mullerhanna Transhipment Company, Botlek N.V., in Rotterdam's Europort area was officially opened on May 1. The Hanna mining company of Cleveland, Ohio, is a partner in the new Dutch firm. The American company, engaged in shipping ore from Labrador, is represented in Europe by W. H. Muller N.V. of Rotterdam.

Capital of 20 million guilders has been raised, including five million guilders by the Dutch-American company. The remainder has come from institutional investors and American insurance companies.

The new transhipment facilities can handle ore carriers up to 45,000 tons and it is possible to increase this to 60,000. The site covers an area of about eight acres with an option for an additional 22 acres. Its quays are 700 metres long and its conveyor belts have a capacity of 4,000 tons of ore an hour. After further extensions the sheds will be able to store nearly four million tons of ore. Future plans are based on the expectation that Germany's annual steel output will be 30 million tons within five years—The Hague.

DUTCH BUILD HUGE TANKERS—A Dutch shipyard has received orders for three mammoth tankers of 73,000 tons each. This order, which cancels a previous one for four 47,000-ton tankers by Esso Nederland, is an indication of the important harbour developments now under way at Rotterdam. The vessels will have an over-all length of 853 feet and will be powered by 26,500 h.p. steam turbines that will give them an average speed of 17.5 knots per hour fully loaded—The Hague.

Sweden

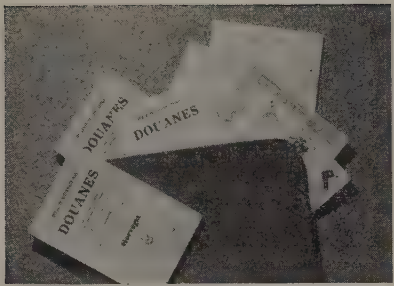
NEW FREIGHTERS FOR GREAT LAKES—The Wallenius Line recently launched a new vessel, *Falstaff*, (6,450 tons) for its service to the Great Lakes. The *Falstaff* was preceded by a similar type, the *Fidelio*, and a third sister ship will be launched in August. The three new vessels will increase the Line's fleet to seven designed especially for the ocean transport of automobiles.

In addition to vehicles of all kinds, the Wallenius Line's vessels carry reasonably sized shipments of bulk or homogeneous packaged goods and are equipped with deep tanks for vegetable oils, lubricating oils and liquid chemicals.

The company operates regular services from Scandinavia and the Continent to Canada, the Great Lakes and to the Atlantic and West Coast ports of the United States, in addition to services from the Continent to Australia and Africa. The Canadian agents are Colley Motorships Ltd. of Montreal—Stockholm.

Uruguay

MONTEVIDEO AIRPORT TO BE MODERNIZED—According to a local press report, Uruguayan authorities are studying the possibility of modernizing the existing airport at Carrasco in Montevideo to make it suitable for jet planes. This is considered rather urgent because the new *Comets* recently acquired by Argentina cannot land at the present airport—Montevideo.



Trade and Tariff Regulations

Argentina

CHANGES IN IMPORT SYSTEM—The Argentine Government removed its discriminatory import controls on December 30, 1958, and set up three lists of goods with percentages of customs surcharges and amounts of prior deposits applicable to such imports from all countries. By a decree effective May 7, the Argentine import system has been further revised by extending the number of lists to six, and by abolishing the requirement of prior deposits for imports covered by lists one to six. Goods not included in any list still continue to be subject to a surcharge of 300 per cent, plus a prior deposit of 500 per cent on the c. & f. value increased by the surcharges. The prior deposit may be returned to the importer after 180 days.

List No. 1 contains 29 items which may be imported without customs surcharge, such as:

Aluminum ingot
Copper ingot
Iron ore
Mineral lubricating oils
Copper scrap
Newsprint
Natural and synthetic rubber
Petroleum, fuel oil
Aviation spirit
Tetraethyl lead

List No. 2 comprises items subject to a 20 per cent surcharge and includes:

Seed potatoes and seeds
Animals for breeding
Nickel
High class printing paper only
Magnesium
Medical and veterinary products
Asbestos fibre and powder
Copper in scrap
Ingots for rolling
Certain vitamins
Serums
Nylon polymers and cellulose acetate for rayon

List No. 3, which incorporates the bulk of Argentine imports, provides a surcharge of 40 per cent on items therein, among which are the following:

Carbon steel, alloy steel sheets
Augers for mining
Seamless pipe
Scrap iron
Certain iron bars, strips, rods and steel rails
Railway equipment in general
Cedar, larch and spruce pine lumber
Steel wire
Accelerators for rubber
X-ray apparatus
Numerous chemicals
Accounting and tabulating machines
Forage harvesters
Porcelain insulators
Carbon electrodes
Switchboards of all kinds
Refractory bricks
Steel balls for ball bearings
Copperclad wire only
Apparatus for communications and special electronic equipment
Methanol
Instruments and equipment used in surgery, optics, engineering and chemistry

List No. 4 consists of items subject to a surcharge of 100 per cent and includes:

Tires and tubes
Latch needles
Stainless steel wire
Iron chains
Hollow drills for mining, one-blade, cross-blade and other types
Zinc in ingots or bars
Parts and accessories for communications equipment and apparatus
Certain chemicals
Ball and roller bearings
Certain iron bars, plates and strips
White pine and beechwood, unplaned
Certain spares for industrial and non-industrial machines
Aluminum foil
Copper wire, enamelled, less than 0.05 mm. in thickness
Electric single-phase motors
Mixed woollen felts as spares for textile machinery and for the manufacture of paper

List No. 5 contains goods on which a surcharge of 300 per cent is levied, such as:

Parts for accounting and tabulating machines
Marine engines
Certain chemicals
Certain parts for diesel and internal combustion motors
Motors for agricultural machinery

List No. 6 covers only industrial machines and motors in general. These are subject to the following customs surcharges:

40 per cent on items not specifically mentioned
100 per cent on items in Part "A" of List 6
300 per cent on items in Part "B" of List 6

Automobiles and midget motor cars are subject to surcharges, on a scale rising according to price, and to a 500 per cent prior deposit.

Details as to the classification of goods according to the six lists mentioned above can be obtained from the International Trade Relations Branch of the Department of Trade and Commerce.

South Africa

REPRESENTATIONS RESPECTING THE TARIFF —The South African Board of Trade has recently received the following representations respecting the tariff:

Increase in duty on:

1. Woven cloth labels by the addition of a specific duty of 3s. per gross.

2. Fiberglas roofing sheets and fiberglas flat sheets, from 10 per cent ad valorem to 40 per cent ad valorem.

3. The following articles of ceramic ware, in respect of countries to which the maximum rate of duty is applied or may be applied:

Tariff Item 160 (d)—A duty of 50 per cent or 3s. per article, whichever is the greater, in respect of earthenware or porcelainware articles falling under this heading.

Tariff Item 167—A duty of 3s. or 50 per cent, whichever is the greater, in respect of earthenware, stoneware, not elsewhere enumerated in the tariff, except sanitary pans, urinals, sinks, lavatory basins and cisterns.

Tariff Item 172 (a)—A duty of 3s. or 50 per cent, whichever is the greater, on chinaware and porcelainware for laboratory use.

Tariff Item 172 (b) (ii)—A duty of 3s. or 50 per cent, whichever is the greater, on chinaware and porcelainware not elsewhere enumerated in the tariff.

Tariff Item 172 (c) (i)—

(a) On unadorned mono-chromatic cups, saucers and plates of chinaware, porcelain and earthenware, a duty of 6s. per dozen pieces, or 50 per cent, whichever is the greater.

(b) On others, a duty of 3s. or 50 per cent, whichever is the greater.

Tariff Item 172 (c) (ii)—

(a) On adorned cups, saucers and plates a duty of 9s. per dozen pieces or 50 per cent, whichever is the greater.

(b) On others, a duty of 3s. or 50 per cent, whichever is the greater.

Canadian firms exporting these goods to South Africa may wish to have their views on these tariff inquiries placed before the Tariff Board. The most effective method of doing so is to have their South African agents act on their behalf. Action should be taken as soon as possible because tariff inquiries normally begin soon after they are announced.

REPRESENTATIONS RESPECTING THE TARIFF—The South African Board of Trade announced recently that it had received the following representations respecting the tariff:

Increase in duty on:

1. Surgical adhesive plasters, surgical adhesive dressings and bandages, and surgical plaster of paris bandages, from free of duty to 15 per cent ad valorem.

2. (a) Woven terry towelling, from various rates of duty to 40 per cent ad valorem or 1s. per yard, whichever is the greater, in the intermediate column of the tariff.

(b) Infants' napkins of woven terry towelling, from 15 per cent ad valorem to 35 per cent ad valorem (intermediate rate) and 50 per cent ad valorem (maximum rate).

(c) Towels and face cloths of woven terry towelling from various rates of duty to 35 per cent ad valorem (intermediate rate) and 50 per cent ad valorem (maximum rate).

3. Rayon tire cord fabrics by 35 per cent ad valorem in the maximum column of the tariff.

4. Pilchard fishing nets from free of duty to 25 per cent ad valorem.

5. Oil and fuel filters for use in motor vehicles, agricultural tractors and earthmoving equipment, from various rates of duty to 25 per cent ad valorem.

Canadian firms exporting these goods to South Africa may wish to have their views placed before the Tariff Board. The most effective method of doing so is for the Canadian exporter to have his South African agents act on his behalf. Action should be taken as soon as possible because tariff inquiries normally begin in South Africa soon after the announcements are made.

Help for the Business Traveller

The businessman travelling abroad will often find that Canadian Trade Commissioners can do much to make his trip pleasant and profitable—provided that they have advance notice of the date of the visitor's arrival, his main interests, and his itinerary. Too often Canadian businessmen fail to take full advantage of a Trade Commissioner's help by dropping in on him without warning.

If you are travelling abroad on business and think the Trade Commissioner might assist you, you should give early notice of your trip to the Trade Commissioner Service of the Department of Trade and Commerce in Ottawa. Give the Service your itinerary and say whether you would like the Trade Commissioners in the countries you will visit to collect information in advance of your arrival, to arrange appointments, or to assist in other ways. If you prefer, you may write directly to these officers at their posts asking for their co-operation. If you are planning to initiate new business, it may be helpful to forward samples and descriptions of your products so that the Trade Commissioner will have a chance to make a market survey beforehand.

foreign trade service abroad

Bentley's Second Phrase Code is used by Canadian Trade Commissioners

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina	C. S. Bissett Commercial Counsellor G. E. Blackstock Assistant Commercial Secretary	Canadian Embassy Bartolome Mitre 478 BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-8237
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	H. S. Hay Acting Commercial Secretary	7th Floor, Berger House 82 Elizabeth Street SYDNEY	*Mail:* *P.O.* Box 3952 G.P.O. *Cable:* CANADIAN *Tel.:* BW 5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	T. G. Major Commercial Counsellor for Canada	83 William Street MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* MU 4716
Austria Czechoslovakia, Hungary	R. K. Thomson Commercial Secretary for Canada (absent)	Opernringhof Opernring 1 VIENNA 1	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 57-25-97
Belgian Congo Angola, French Equatorial Africa	K. Nyenhuis Canadian Government Trade Commissioner R. A. Bull Assistant Trade Commissioner	Forescom Building LEOPOLDVILLE 1	*Mail:* Boîte Postale 8341 *Cable:* CANADIAN *Tel.:* 2706
Belgium Luxembourg	L. H. Ausman Commercial Counsellor J. R. Roy Assistant Commercial Secretary	Canadian Embassy 35 rue de la Science BRUSSELS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 13.38.50
Brazil	C. M. Kerr Acting Commercial Secretary	Canadian Embassy Edificio Metropole Av. Presidente Wilson 165 RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Tel.:* 42-4140
Brazil	R. C. Anderson Vice Consul and Acting Trade Commissioner	Canadian Consulate Edificio Alois Rua 7 de Abril 252 SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Tel.:* 36-6301
Ceylon	Commercial Secretary (absent)	Office of the High Commissioner for Canada 6 Gregory's Road Cinnamon Gardens COLOMBO	*Mail:* P.O. Box 1006 *Cable:* CANADIAN *Tel.:* 91341
Chile	H. M. Maddick Commercial Secretary	Canadian Embassy 6th Floor Av. General Bulnes, 129 SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Tel.:* 64189
Colombia Ecuador	N. L. Currie Acting Commercial Secretary	Canadian Embassy Edificio Banco de Los Andes Carrera 10, No. 16-92 BOGOTA	*Airmail:* Apartado Aereo 3562 *Surface Mail:* Apartado 1618 *Cable:* CANADIAN *Tel.:* 30-065
Cuba	R. R. Parlour Commercial Secretary	Canadian Embassy Edificio Ambar Motors Avenida Menocal 16 HAVANA	*Mail:* Apartado 1945 *Cable:* CANADIAN *Tel.:* UO-9457
Denmark Greenland, Poland	C. F. Wilson Commercial Counsellor	Canadian Embassy 4 Trondhjems Plads COPENHAGEN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Tria 1602

Territory	Officer	City Address	Mail and Cables, Office Telephone
Dominican Republic Puerto Rico	W. B. McCullough Commercial Counsellor (absent)	Canadian Embassy Edificio Copello 408 Calle El Conde CIUDAD TRUJILLO	*Mail:* Apartado 93 *Cable:* CANADIAN *Tel.:* 8138
France Algeria, French West Africa, Morocco, Tangier, Tunisia	R. Campbell Smith Commercial Counsellor C. T. Charland Assistant Commercial Secretary	Canadian Embassy, 35 Avenue Montaigne, PARIS 8e	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* BALzac 99-55
Germany Federal Republic	J. A. Stiles Commercial Counsellor G. F. Mintenko Assistant Commercial Secretary W. J. O'Connor Assistant Commercial Secretary (Agriculture)	Canadian Embassy 22 Zitelmannstrasse BONN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Bonn 21971
Germany	E. H. Maguire Consul J. M. T. Thomas Vice Consul	Canadian Consulate 69 Ferdinandstrasse HAMBURG	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 326149
Ghana Gambia, Nigeria, Sierra Leone	M. B. Bursey Commercial Counsellor	Office of the High Commissioner for Canada E 115/3 Independence Ave. ACCRA	*Mail:* P.O. Box 1639 *Cable:* CANADIAN *Tel.:* 4824
Greece Israel, Turkey	P. V. McLane Commercial Counsellor L. D. R. Dyke Assistant Commercial Secretary	Canadian Embassy 31 Vassilissis Sophias Ave. ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	H. W. Richardson Canadian Government Trade Commissioner R. M. Dawson Assistant Trade Commissioner	5 Avenida 10-68, Zone I GUATEMALA CITY, C.A.	*Airmail:* P.O. Box 400 *Surface Mail:* P.O. Box 444 *Cable:* CANADIAN *Tel.:* 5590
Haiti	Chargé d'Affaires, a.i. and Consul	Canadian Embassy Route du Canape Vert St. Louis de Turgeau PORT AU PRINCE	*Mail:* P.O. Box 826
Hong Kong Cambodia, Communist China, Laos, Vietnam, Macao	C. M. Forsyth-Smith Canadian Government Trade Commissioner C. J. Small Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg. HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Tel.:* 28336
India	B. A. Macdonald Commercial Counsellor J. R. Midwinter Assistant Commercial Secretary	Office of the High Commissioner for Canada 4 Aurangzeb Road NEW DELHI 1	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 40191
India Calcutta, Madras, Goa	H. A. Gilbert Canadian Government Trade Commissioner W. J. Collett Assistant Trade Commissioner	Gresham Assurance House Mint Road BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 255154
Indonesia	M. B. Blackwood Commercial Secretary (absent)	Canadian Embassy Djl. Budi Kemuliaan No. 6 DJAKARTA	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Gambir 1313
Iran	A. B. Brodie Commercial Counsellor	Canadian Legation TEHRAN	*Mail:* Central P.O., Box 1610 *Cable:* CANTRACOM *Tel.:* 49291
Ireland	Commercial Secretary for Canada (absent)	66 Upper O'Connell St. DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 44251

Territory	Officer	City Address	Mail and Cables, Office Telephone
Italy Libya, Malta, Yugoslavia	S. G. MacDonald Commercial Counsellor J. G. Ireland Assistant Commercial Secretary	Canadian Embassy Via G. B. De Rossi 27 ROME	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 861-951
Japan South Korea	J. L. Mutter Commercial Counsellor R. G. Woolham Assistant Commercial Secretary	Canadian Embassy TOKYO	*Mail:* Canadian Embassy *Cable:* CANADIAN *Tel.:* 48-4116
Lebanon Iraq, Jordan, Persian Gulf area, Syrian Region of United Arab Republic	C. O. R. Rousseau Commercial Secretary (absent)	Canadian Embassy Alpha Building Rue Clemenceau BEIRUT	*Mail:* Boîte Postale 2300 *Cable:* CANADIAN *Tel.:* 30794
Mexico	C. J. Van Tighem Commercial Counsellor A. A. Lomas Assistant Commercial Secretary (absent)	Canadian Embassy Melchor Ocampo 463, 7th Floor MEXICO 5, D. F.	*Mail:* Apartado 25364 *Cable:* CANADIAN *Tel.:* 25-15-60
Netherlands	W. R. Hickman Commercial Secretary B. Horth Assistant Commercial Secretary	Canadian Embassy Sophialaan 5-7 THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 61-41-11
New Zealand Fiji, French Oceania, Western Samoa	J. H. Stone Commercial Secretary J. MacNaught Assistant Commercial Secretary	Office of the High Commissioner for Canada Government Life Insurance Bldg. WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
Norway Iceland	Commercial Counsellor (absent)	Canadian Embassy Fridtjof Nansens Plass 5 OSLO	*Mail:* P.O. Box 1379—Vika *Cable:* CANADIAN *Tel.:* 33-30-80
Pakistan Afghanistan	Commercial Secretary (absent)	Office of the High Commissioner for Canada Hotel Metropole, Victoria Rd. KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Tel.:* 50322
Peru Bolivia	D. H. Cheney Commercial Secretary W. J. Jenkins Assistant Commercial Secretary	Canadian Embassy Edificio Boza, Carabaya 831 Plaza San Martin, LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Tel.:* 72760
Philippines Republic of China (Taiwan)	H. L. E. Priestman Consul General and Trade Commissioner R. H. Gayner Vice Consul and Assistant Trade Commissioner	Canadian Consulate General Ayala Building Juan Luna Street MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Tel.:* 3-33-35
Portugal Azores, Cape Verde Islands, Madeira, Portuguese Guinea	Richard Grew Commercial Counsellor	Canadian Embassy Rua Marques de Fronteira No. 8—4° D° LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 53117
Rhodesia and Nyasaland Kenya, Seychelles Is., Tanganyika, Uganda, Zanzibar	L. S. Glass Canadian Government Trade Commissioner	Offices 110-113 Central Africa House Corner First St./Gordon Ave. SALISBURY	*Mail:* P.O. Box 2133 *Cable:* CANTRACOM *Tel.:* 26571

Territory	Officer	City Address	Mail and Cables, Office Telephone
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	M. P. Carson Canadian Government Trade Commissioner B. C. Steers Assistant Trade Commissioner	Rooms 4, 5 and 6 American International Building Robinson Road and Telegraph St. SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 74260
South Africa (Natal, Transvaal, Orange Free State), Madagascar, Mauritius, Mozambique, Reunion	C. R. Gallow Canadian Government Trade Commissioner	Mutual Building Harrison Street JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANADIAN *Tel.:* 33-2628
South Africa (Cape Province), St. Helena, Southwest Africa	M. R. M. Dale Canadian Government Trade Commissioner	602 Norwich House The Foreshore CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel.* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio Muni, Rio de Oro	M. T. Stewart Commercial Counsellor	Canadian Embassy Edificio España Avenida de Jose Antonio 88, MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 47-54-00
Sweden Finland	A. P. Bissonnet Commercial Counsellor	Canadian Embassy Strandvagen, 7-C STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland	B. I. Rankin Commercial Counsellor G. P. Morin Assistant Commercial Secretary	Canadian Embassy Kirchenfeldstrasse 88 BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 4-63-81
United Arab Republic Egyptian Region Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia, Yemen	D. S. Armstrong Commercial Counsellor	Canadian Embassy 6 Sharia Rouston Pasha Garden City CAIRO	*Mail:* Kasr el Doubara Post Office *Cable:* CANADIAN *Tel.:* 23110
United Kingdom	B. C. Butler Minister (Commercial) D. A. B. Marshall Agricultural Counsellor W. Gibson-Smith Commercial Secretary S. G. Tregaskes Commercial Secretary D. B. Laughton Agricultural Secretary E. J. White Commercial Secretary (Timber)	Office of the High Commissioner for Canada Canada House Trafalgar Square LONDON, S.W.1	*Mail:* (City Address) *Cable:* SLEIGHING *Tel.:* Whitehall 8701 *Cable:* TIMCOM
United Kingdom (Midlands, North England)	A. W. Evans Canadian Government Trade Commissioner	Martins Bank Building Water Street LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
United Kingdom (Northern Ireland)	Canadian Government Trade Commissioner (absent)	36 Victoria Square BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	Dr. W. C. Hopper Minister (Commercial) Wm. Jones Commercial Secretary W. A. Stewart Assistant Commercial Secretary J.D. Blackwood Assistant Commercial Secretary	Canadian Embassy 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* DEcatur 2-1011
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia	S. V. Allen Deputy Consul General (Commercial)	Canadian Consulate General 680 Fifth Ave NEW YORK CITY 19	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400

Territory	Officer	City Address	Mail and Cables, Office Telephone
United States—*con.*	H. E. Lemieux Consul and Trade Commissioner F. I. Wood Vice Consul and Assistant Trade Commissioner		
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	F. B. Clark Consul and Trade Commissioner	Canadian Consulate General 532 Little Building 80 Boylston Street BOSTON 16	*Mail:* (City Address) *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	R. F. Renwick Consul and Trade Commissioner G. F. J. Osbaldeston Vice Consul and Assistant Trade Commissioner	Canadian Consulate General 111 North Wabash Avenue CHICAGO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAndolph 6-6033
United States (Michigan, Ohio)	M. J. Vechsler Consul and Trade Commissioner R. V. N. Gordon Consul and Trade Commissioner	Canadian Consulate 1139 Penobscot Building DETROIT 26	*Mail:* (City Address) *Tel.:* WOodward 5-2811
United States California (the ten southern counties), Clark County in Nevada, Arizona, New Mexico	T. M. Burns Consul and Trade Commissioner	Canadian Consulate General 510 West Sixth Street LOS ANGELES 14	*Mail:* (City Address) *Tel.:* MAdison 2-2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	T. F. Harris Consul and Trade Commissioner	Canadian Consulate General 215-217 International Trade Mart NEW ORLEANS 12	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* JAckson 5-2136
United States California, (except the ten southern counties), Wyoming, Nevada (except Clark County), Utah, Colorado, Hawaii	Consul General	Canadian Consulate General 3rd Floor, Kohl Building 400 Montgomery Street SAN FRANCISCO 4	*Mail:* (City Address) *Tel.:* SUtter 1-3039
United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General The Tower Building Seventh Avenue at Olive Way SEATTLE 1, Washington	*Mail:* (City Address) *Tel.:* MUtual 3515
Uruguay Paraguay Falkland Islands	C. B. Birkett Commercial Counsellor (absent)	Canadian Embassy No. 1409 Avenida Agraciada Piso 7° MONTEVIDEO	*Mail:* Casilla Postal 852 *Cable:* CANADIAN *Tel.:* 96096
Venezuela Netherlands Antilles	R. E. Gravel Commercial Counsellor R. D. Sirrs Assistant Commercial Secretary	Canadian Embassy Edificio Pan American Avenida Urdaneta Puente Urapal, Candelaria CARACAS	*Mail:* Apartado 9277 *Cable:* CANADIAN *Tel.:* 54.34.32
West Indies (Barbados, Trinidad and Tobago, Windward and Leeward Islands) British Guiana, French Guiana, Surinam Guadeloupe, Martinique	R. G. C. Smith Commissioner for Canada P. T. Eastham Assistant Commercial Secretary	Colonial Building 72 South Quay PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Tel.:* 34787
West Indies (Jamaica) Bahamas, British Honduras	H. E. Campbell Canadian Government Trade Commissioner M. S. Strong Assistant Trade Commissioner	Barclays Bank Building King Street KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Tel.:* 2858

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1.04132769.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent May 25	Units per Canadian dollar	Notes (See below
Argentina	Peso	Free	.01093	91.49	
Austria	Schilling		.03694	27.07	
Australia	Pound		2.1612	.4627	
Bahamas	Pound		2.7015	.3702	
Belgium, Belgian Congo and Luxembourg	Franc		.01927	51.89	
Bermuda	Pound		2.7015	.3702	
Bolivia	Boliviano	Free	.00008405	1,189.77	
British Guiana	Dollar		.5628	1.78	
British Honduras	Dollar		.6758	1.48	
Brazil	Cruzeiro	General Category*	.004434	225.52	*Apr. 28
		Special Category*	.003012	331.99	
		Official selling	.05102	19.60	
Burma	Kyat		.2017	4.96	
Ceylon	Rupee		.2026	4.93	
Chile	Peso	Free	.0009128	1,095.53	
Colombia	Peso	Certificate	.1500	6.67	
Costa Rica	Colon	Official	.1710	5.85	
		Controlled free	.1445	6.92	
Cuba	Peso		.9603	1.04134	tax
Czechoslovakia	Koruna		.1334	7.49	
Denmark	Krone		.1394	7.17	
Dominican Republic	Peso		.9603	1.04134	
Ecuador	Sucre	Official	.06402	15.62	
		Free	.05609	17.83	
Egyptian Region, United Arab Rep.	Pound	Official	2.7576	.3626	
		Export account selling	1.9600	.5102	
El Salvador	Colon		.3841	2.60	
Fiji	Pound		2.4338	.4109	
Finland	Markka		.003001	333.22	
France, Monaco and North Africa	Franc		.001959	510.46	
French colonies	Franc		.003918	255.23	
French Pacific	Franc		.01077	92.85	
Germany	D Mark		.2297	4.35	
Ghana	Pound		2.7015	.3702	
Greece	Drachma		.03201	31.24	
Guatemala	Quetzal		.9603	1.04134	
Haiti	Gourde		.1921	5.20	
Honduras	Lempira		.4802	2.08	
Hong Kong	Dollar	Free*	.1671	5.9850	*May
		Official	.1688	5.9242	
Iceland	Krona	Official	.05897	16.96	
India	Rupee		.2026	4.93	
Indonesia	Rupiah	Effective buying	.03176	31.53	*May
		Effective selling	.02563	39.41	
Iran	Rial		.01268	78.88	

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent May 25	Units per Canadian dollar	Notes (See below)
Iraq	Dinar		2.6889	.3719	
Ireland	Pound		2.7015	.3702	
Israel	Pound		.5335	1.87	
Italy	Lira		.0015488	645.99	
Japan	Yen		.002668	374.81	
Lebanon	Pound	Free	.3052	3.28	
Mexico	Peso		.07683	13.01	
Netherlands	Florin		.2544	3.93	
Netherlands Antilles	Florin		.5126	1.95	
New Zealand	Pound		2.7015	.3702	
Nicaragua	Cordoba	Effective buying	.1455	6.87	
		Official selling	.1362	7.34	
Norway	Krone		.1349	7.41	
Pakistan	Rupee		.2026	4.93	
Panama	Balboa		.9603	1.04134	
Paraguay	Guarani	Official	.008003	124.95	
Peru	Sol	Certificate	.03520	28.41	
Philippines	Peso		.4802	2.08	
Portugal & Colonies	Escudo		.03351	29.84	(9)
Singapore and Malaya	Straits dollar		.3152	3.17	
Spain and Dependencies	Peseta	Commercial selling	.02272	44.02	(8)
Sweden	Krona		.1857	5.38	
Switzerland	Franc		.2223	4.50	
Syrian Region, United Arab Rep.	Pound	Free	.2681	3.73	
Thailand	Baht	Free	.04571	21.88	(8)
Turkey	Lira	Effective selling	.1067	9.37	(8)
Union of South Africa	Pound		2.7015	.3702	
United Kingdom	Pound		2.7015	.3702	
United States	Dollar		.9603125	1.04132769	
Uruguay	Peso	Free	.1032	9.69	
		Basic buying	.6329	1.58	(8)
		Principal selling	.4566	2.19	
Venezuela	Bolivar		.2867	3.49	
West Indies Fed.	Dollar		.5628	1.78	(10)
	Pound		2.7015	.3702	(11)
Yugoslavia	Dinar	Official	.003201	312.40	(8)
		Settlement rate	.001519	658.12	

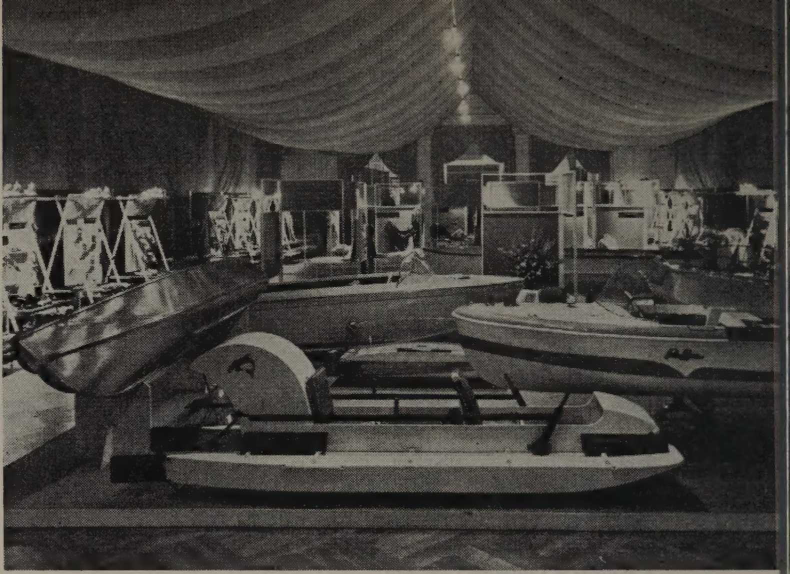
*Latest available quotation date.

notes

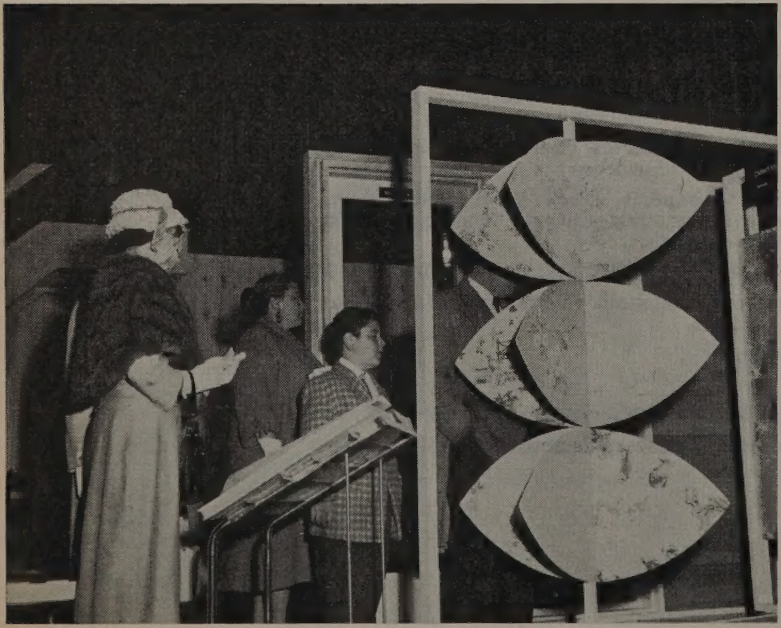
1. Argentina: Effective Jan. 1, 1959, a single fluctuating exchange rate was introduced. Exports are subject to retention taxes of either 10 or 20 per cent ad valorem under this system.
2. Brazil: exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product.
3. For imports of wheat, newsprint and petroleum, the effective rate of exchange is the official selling rate plus a surcharge of 61.18 cruzeiros.
4. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 5,000 per cent, depending on product, prior to shipment of goods.
5. France: territory includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
6. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
7. New Caledonia, New Hebrides, Oceania.
8. Additional rates are in effect.
9. Portugal: approximately same rate for Portuguese territories in Africa.
10. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
11. Jamaica.

A new venture in promoting export sales

—scenes from the first all-Canadian Trade Fair in Boston, April 20-24, 1959. Sponsored by the Department of Trade and Commerce, Ottawa, the fair was held in the Sheraton-Plaza hotel.



With summer vacations in sight, Bostonians flocked
Canadian boat and marine equipment display (top).
were made of wood, fiberglas and aluminum and came
seven Canadian manufacturers. Note the hand-operated
boat. To the right of the boat display (left on our page)
the stands displaying Canadian foods. Two interested s
tors examine packages of biscuits, noodles and spaghett
canned fruit, meat and meat sauces, soups and mushr
Visitors in the picture at bottom left are intrigued b
"House of Many Woods" and its adjacent display of wal
of distinctive Canadian designs. The wood in the hou
cluded white pine for the door frames and window s
western red cedar siding, knotty pine panelling and an
birch staircase. About 15,000 visitors are said to have
the exhibit. Fashion-conscious Boston women and me
of the clothing trade applaud the design of this wool
and coat of Fraser Valley tartan shown at lower righ
costume is from the drawing board of a Vancouver cou



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